

COMMONWEALTH OF KENTUCKY
Cabinet for Health and Family Services
Department for Community Based Services

OPERATION MANUAL
Volume III

[OMTL-329](#)

Kentucky Transitional Assistance Program (K-TAP)

Table of Contents

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KENTUCKY TRANSITIONAL ASSISTANCE PROGRAM 2000-5199

[Time Limits 2000-2099

[K-TAP 60-Month Lifetime Limit](#) [2001](#)]

[Extension of 60-Month Limit](#) [2003](#)

[KWP Full Family Sanction](#) [2007](#)

[[Safety Net](#) [2010](#)

Case Processing 2100-2199

[Making An Application](#) [2100](#)

[Joint Processing of K-TAP and Food Benefit Cases](#) [2105](#)

[Standard of Promptness](#) [2110](#)

[K-TAP Application/Recertification Interviews](#) [2120](#)

[Content of the Assessment](#) [2125](#)

[Assessment Procedures](#) [2130](#)

[Employment Assessment](#) [2135](#)

[Education Assessment](#) [2140](#)

[Barriers Assessment](#) [2145](#)

[Recertification Periods](#) [2150](#)

[Signing Application/Recertification Forms](#) [2155](#)

[Case Action on Applications](#) [2160](#)

[Request For A Member Add To A K-TAP Case](#) [2170](#)

<u>Processing Recertifications and Case Changes</u>	<u>2175</u>
<u>Notification Requirements</u>	<u>2195</u>
FAD Case Processing	2200-2209
<u>Family Alternatives Diversion</u>	<u>2200</u>
<u>FAD Eligibility Determination</u>	<u>2203</u>
<u>FAD Payment Need Types</u>	<u>2206</u>
<u>FAD Payments</u>	<u>2209]</u>
Case Composition	2210-2299
<u>Eligible Individuals</u>	<u>2210</u>
<u>Technically Excluded Individuals</u>	<u>2215</u>
<u>Sanctioned Individuals</u>	<u>2220</u>
<u>Penalized Individuals</u>	<u>2225</u>
<u>Standard Filing Unit (SFU)</u>	<u>2230</u>
<u>Two-Parent Family</u>	<u>2240</u>
<u>Family with Minor Parent</u>	<u>2250</u>
<u>Married Dependent Child</u>	<u>2260</u>
<u>Adopted Child</u>	<u>2270</u>
<u>Foster Care Child</u>	<u>2280</u>
Technical Eligibility: Requirements	2300-2339
<u>Introduction to Technical Eligibility Requirements</u>	<u>2300</u>
<u>Subsidized Adoption Children</u>	<u>2302</u>
<u>Strikers</u>	<u>2304</u>
<u>Categorical Limitations</u>	<u>2306</u>
<u>Age</u>	<u>2310</u>
<u>Verification of Age</u>	<u>2312</u>

<u>Lack of Birth Verification</u>	2314
<u>School Attendance Requirement</u>	2316
<u>School Attendance Verification</u>	2318
<u>Full-Time and Part-Time Attendance</u>	2320
<u>Work Registration</u>	2321
<u>KWP Work Eligible Individuals</u>	2322
<u>KWP Exemption Criteria</u>	2324
<u>Teen Parent and Adult Supervised Setting</u>	2326
<u>Teen Parents and School</u>	2327
<u>Relationship</u>	2328
<u>Verification of Relationship</u>	2329
<u>Administrative Establishment of Paternity</u>	2330
<u>Common-Law Marriages</u>	2331
<u>Enumeration</u>	2332
<u>Residency</u>	2334
<u>Verification of Residency</u>	2336
<u>Temporary Absence</u>	2338
<u>Third Party Liability</u>	2339

Technical Eligibility: Deprivation 2340-2399

<u>Introduction to Deprivation</u>	2340
<u>Death</u>	2344
<u>Penal Institutionalization</u>	2346
<u>Hospitalization</u>	2348
<u>Deportation</u>	2350
<u>Single Parent Adoption</u>	2352
<u>Divorce</u>	2355

<u>Legal Separation</u>	<u>2357</u>
<u>Marriage Annulment</u>	<u>2359</u>
<u>Desertion</u>	<u>2361</u>
<u>Forced Separation</u>	<u>2363</u>
<u>Birth Out-of-Wedlock</u>	<u>2365</u>
<u>Verification of Voluntary Absence</u>	<u>2367</u>
<u>Voluntary Absence Determination</u>	<u>2371</u>
<u>Referral to DCS</u>	<u>2375</u>
<u>Incapacity</u>	<u>2377</u>
<u>Incapacity Determinations</u>	<u>2379</u>
<u>Incapacity Field Determinations</u>	<u>2381</u>
<u>Medical Review Team (MRT) Determinations</u>	<u>2383</u>
<u>Social Data</u>	<u>2387</u>
<u>Special Examinations</u>	<u>2389</u>
<u>Time Limited Decisions</u>	<u>2391</u>
<u>Continuing Eligibility Based on Incapacity</u>	<u>2393</u>
<u>Hearing/Appeal Board Determinations</u>	<u>2395</u>
<u>Quality Control Cases</u>	<u>2397</u>

Financial Eligibility: Resources 2400-2499

<u>Resources - General Information</u>	<u>2400</u>
<u>Resource Limits</u>	<u>2408</u>
<u>Excluded Resources</u>	<u>2410</u>
<u>Countable Resources</u>	<u>2420</u>
<u>Individual Development Accounts</u>	<u>2425</u>
<u>Jointly Held Liquid Resources</u>	<u>2450</u>
<u>Transferred Liquid Resources</u>	<u>2490</u>

Financial Eligibility: Income	2500-2509
<u>Income – General Information</u>	<u>2500</u>
Financial Eligibility: Excluded Income	2510-2599
<u>Excluded Income</u>	<u>2510</u>
<u>Excluded Student Income</u>	<u>2512</u>
<u>Complementary Program Income</u>	<u>2513</u>
<u>Two-Month Earned Income Exclusion</u>	<u>2520</u>
Financial Eligibility: Unearned Income	2600-2699
<u>Introduction to Unearned Income</u>	<u>2600</u>
<u>Statutory Benefits</u>	<u>2605</u>
<u>Child and/or Spousal Support</u>	<u>2610</u>
<u>Contributions</u>	<u>2615</u>
<u>Cash Gifts</u>	<u>2618</u>
<u>Test Budget Income</u>	<u>2625</u>
<u>Nonrecurring Lump Sum Income</u>	<u>2630</u>
<u>Income Supplementation</u>	<u>2635</u>
<u>Promissory Note/Mortgage/Land Contract Sale</u>	<u>2640</u>
<u>Other Unearned Income</u>	<u>2650</u>
Financial Eligibility: Earned Income	2700-2799
<u>Introduction to Earned Income</u>	<u>2700</u>
<u>Wages</u>	<u>2710</u>
<u>Tips</u>	<u>2715</u>
<u>Contract Employment</u>	<u>2730</u>
<u>Commissioned Employment</u>	<u>2735</u>

<u>Occasional/Seasonal Employment</u>	<u>2740</u>
<u>Workforce Investment Act (WIA) Income</u>	<u>2760</u>
<u>Self-Employment Income</u>	<u>2770</u>
<u>Farm/Business Self-Employment Income</u>	<u>2773</u>
<u>Rental/Roomer/Boarder Income</u>	<u>2776</u>
Financial Eligibility: Payment Determination	2800-2839
<u>Introduction to Ratable Reduction Budgeting</u>	<u>2800</u>
<u>Standard of Need</u>	<u>2802</u>
<u>Introduction to Payment Determination</u>	<u>2808</u>
<u>Gross Income</u>	<u>2825</u>
Financial Eligibility: Deductions	2840-2859
<u>Deductions</u>	<u>2840</u>
<u>General Restrictions</u>	<u>2843</u>
<u>Work Expense Standard</u>	<u>2846</u>
<u>Dependent Care Deduction</u>	<u>2849</u>
<u>Time Limited Deductions</u>	<u>2855</u>
<u>\$30 and 1/3 Deduction</u>	<u>2857</u>
<u>\$30 Deduction</u>	<u>2859</u>
Financial Eligibility: Budgeting Method	2870-2879
<u>Prospective Budgeting</u>	<u>2872</u>
Financial Eligibility: Ineligibility Period	2880-2899
<u>Introduction to Ineligibility Period</u>	<u>2880</u>
<u>Nonrecurring Lump Sum - Gross Income</u>	<u>2886</u>
<u>Ineligibility Period Computation</u>	<u>2889</u>

<u>Applications During Ineligibility Period</u>	<u>2892</u>
<u>Ineligibility Period Shortened</u>	<u>2895</u>
Medicare Qualified MA	2900-2949
<u>General Information</u>	<u>2900</u>
Child Support Program	3000-3499
<u>Requirements for Child Support Action</u>	<u>3000</u>
<u>DCS Activities</u>	<u>3010</u>
<u>Family Support Responsibilities</u>	<u>3020</u>
<u>Referral Process</u>	<u>3030</u>
<u>Noncooperation With Child Support Activities</u>	<u>3040</u>
<u>Good Cause Criteria</u>	<u>3050</u>
<u>Verification of Good Cause</u>	<u>3060</u>
<u>Good Cause Claim Process</u>	<u>3070</u>
<u>Penalty for Noncooperation</u>	<u>3080</u>
<u>Non-K-TAP Individuals</u>	<u>3090</u>
Unemployed Parent Program (UP)	3650-3699
<u>Unemployed Parent (UP) Program</u>	<u>3650</u>
<u>The Qualifying Parent and Prior Labor Market Attachment</u>	<u>3655</u>
<u>Unemployment Requirements</u>	<u>3665</u>
<u>Incapacity and the Unemployed Parent</u>	<u>3670</u>
Bonus Payments	3700-3749
<u>Educational Bonus</u>	<u>3700</u>
<u>Post K-TAP Work Incentive Bonus</u>	<u>3712</u>
Relocation Assistance Program (RAP)	3750-3799

<u>RAP Introduction</u>	<u>3750</u>
<u>RAP Eligibility</u>	<u>3760</u>
<u>RAP Application Process</u>	<u>3770</u>
<u>RAP Benefits</u>	<u>3780</u>
<u>RAP Payment Procedures</u>	<u>3790</u>
Work Incentive (WIN) Reimbursements	3850-3899
<u>WIN Eligibility</u>	<u>3850</u>
<u>WIN Reimbursement Process</u>	<u>3860</u>
KINSHIP CARE PROGRAM	5000-5199
Kinship Care	5000-5199
<u>Kinship Care Overview</u>	<u>5000</u>
<u>Individuals Served by Kinship Care</u>	<u>5010</u>
<u>Available Services/Benefits to Kinship Care Cases</u>	<u>5020</u>
<u>Kinship Caregiver Responsibilities</u>	<u>5030</u>
<u>Standard Filing Unit Exception</u>	<u>5050</u>
<u>Child Support Requirements</u>	<u>5060</u>
<u>Resource Limit</u>	<u>5070</u>
<u>Countable Income</u>	<u>5080</u>
<u>Benefit Payment and Income Scale</u>	<u>5090</u>
<u>Authorizing Kinship Care Payments</u>	<u>5100</u>

MS 2001*

K-TAP 60-MONTH LIFETIME LIMIT

There is a 60-month (5-year) limit on the receipt of cash and some supportive service benefits funded by the federal TANF grant. Consideration of the 60-month limit started in Kentucky on 11/1/96.

A. The 60-month limit applies to K-TAP cases that have:

1. An adult even if the adult is sanctioned. The sanctioned months are counted toward the 60-month limit;
2. An excluded adult even who is a fugitive felon, probation/parole violator, or convicted drug felon. Refer to [MS 2215](#);
3. A teen parent, coded M03, who does not live in a supervised setting even if the Protection and Permanency staff state the home is safe;
4. A married teen parent, coded M03, who is not living with a spouse and is not in a supervised setting;
5. A divorced teen parent, coded M03, who is not living in a supervised setting;
6. A married teen couple under age 18, coded M03 and M04, who are living with his/her parent or by themselves and receiving K-TAP benefits based on incapacity or unemployment;
7. An adult member of the assistance group received TANF cash benefits from another state. The months of receipt in the other state count toward the 60-month limit, unless that state has a waiver. Contact the state to determine if the benefits were TANF-funded and if the state has a waiver. If the state has a waiver, contact the Family Self-Sufficiency Branch to determine how the months are considered.
8. Prorated payments made for the month of application but received the month following the application month count toward the 60-month limit.

B. The 60-month limit does NOT apply:

1. To child only cases. This includes cases where the parent is excluded due to technical ineligibility (SSI, ineligible alien). If the parent is sanctioned or a convicted drug felon, this is NOT a child only case;
2. To a single, married or divorced teen parent who is under age 18, not living with the spouse and is living in a supervised setting;
3. When the K-TAP eligible amount is under \$10 and no K-TAP check (prior to the Electronic Benefit Transfer (EBT) is issued and there is:

- a. No sanctioned or penalized adult in the K-TAP family;
 - b. No benefit reduction on the case; and
 - c. No supportive services provided for the assistance group; or
 - d. Supportive services were provided to a K-TAP family with earnings.
- 4. For a month in which a K-TAP check is returned and there is:
 - a. No sanctioned or penalized adult in the assistance group;
 - b. No benefit reduction on the case; and
 - c. No supportive services provided for the K-TAP family; or
 - d. Supportive services were provided to a K-TAP family with earnings.
- 5. To retroactive payment months. Retroactive months would include months:
 - a. For which a hearing decision required retroactive payments be made;
 - b. An individual receives retroactive benefits to correct an Agency error which caused benefits to be denied;
- 6. To Family Alternatives Diversion Program (FAD) payments;
- 7. To Work Incentive (WIN) reimbursements.
- C. Cases facing discontinuance due to the 60-month time limit must be reviewed three months prior to their potential date of discontinuance. Refer to MS 2005 for policy concerning the automatic discontinuance of K-TAP cases reaching the 60-month limit.
- D. Any case discontinued for the 60-month limit will be offered Safety Net services through a home visit from a Protection and Permanency (P & P) staff member. Refer to MS 2010 for additional information on Safety Net.
- E. Households discontinued for the 60-month limit are NOT eligible for FAD.
- F. The household may be eligible for WIN reimbursements if the criteria is met when the case is discontinued for the 60-month time limit.

MS 2003 EXTENSION OF 60-MONTH LIFETIME LIMIT

[Policy Clarification](#)

[See Errata To: OM Upd. No. 07-13, MS 99762, 5/1/07](#)

[See OM Upd. No. 07-13, MS 99762, 5/1/07](#)

[See OM Upd. No. 06-24, MS 99743, 10/1/06](#)

[See OM Upd. No. 06-21, MS 99740, 10/1/06](#)

[See OM Update No. 05-33, MS 99717, 10/1/05](#)

[See OM Update No. 05-22, Vol. X, MS 99706, 6/1/05](#)

Federal welfare reform provisions mandate a 60-month lifetime limit for the receipt of TANF funds. At the end of the 60 months, states are allowed to extend the receipt of TANF by some participants as long as the total exemptions do not exceed 20% of the total caseload for the state.

After K-TAP benefits have been received for 60 months, an otherwise eligible K-TAP benefit group that contains one of the following individuals may be allowed to receive K-TAP beyond the 60-month lifetime limit. During the period the individual must comply with KWP and child support activities.

A. The situations for which K-TAP receipt can be extended are:

1. An individual in the K-TAP group was or is in a domestic violence situation that precluded participation in Kentucky Works. A Kentucky Works participant can be granted good cause for nonparticipation based on a domestic violence situation.
 - a. If the K-TAP individual was in good cause status based on a domestic violence situation during the 60-month period, receipt of K-TAP can be extended for the number of months the good cause was granted.

EXAMPLE: An individual was granted good cause due to domestic violence for four months. The K-TAP benefits can be extended for four months.

- b. If the individual is currently good caused or claims good cause based on a domestic violence situation, the K-TAP can be extended until the individual is no longer in the domestic violence situation. In order to receive the extended K-TAP, an individual must complete a service plan with Protection and Permanency and the service plan must be reviewed every six months.
 - c. When an individual claims good cause for a domestic violence situation, the individual must have an individual assessment done and complete a domestic violence service plan including any revisions made by a redetermination. Each region

previously established the procedures for conducting the assessment and completing the service plan.

- d. The domestic violence service plan is completed by the participant and the worker trained in domestic violence, designated by the Service Region. The plan lists what services, actions, etc. are needed to assist the family to escape the situation and to lead safely to employment and eventually self-sufficiency. Once the service plan is received, review the plan for any services or actions that need to be included on the Transitional Assistance Agreement (TAA). File the plan in the case record.
 - e. During the extension period, the individual must comply with KWP and child support activities unless good cause is granted. If the individual fails to comply with either KWP or child support, the case can be discontinued. If currently in a domestic violence situation, complying with KWP consists of completing and following through on the service plan. If participation will endanger the individual or the family, the individual is not penalized for nonparticipation.
 - f. Good cause for domestic violence is reviewed and a redetermination of the domestic violence service plan completed no less than every 6 months. Each region has established procedures for this review.
2. The K-TAP adult has a physical or mental condition (e.g., emotional, learning, behavioral) prohibiting work as determined by the Cabinet. The determination can be made by the Medical Review Team (MRT), the Targeted Assessment Project (TAP), CompCare, or Vocational Rehabilitation (VR). In order to receive the extended K-TAP, the individual must comply with the treatment or other activities recommended by a referral source approved by the Cabinet such as MRT, TAP, CompCare, or VR.

The extension is reviewed as specified by the referral source, or if the referral source does not specify a review date, every 3 months.

3. The K-TAP adult is required to provide constant care of at least 6 hours a day for a household member who is a parent, spouse or child with a disability who is homebound and no alternative care arrangement is available. The need for the constant care is documented by a health care professional's statement, which is obtained by form PA-4, Verification of Required Caretaker Services. Form PA-4 documents the need for the care, the tasks the caretaker performs and how many hours per day the care is required.

The extension is reviewed every 6 months with a new form PA-4 completed.

4. The individual is a grandparent or other nonresponsible specified relative caring for an eligible child who would otherwise be placed in foster care. The relative who is included in the K-TAP case

must comply with KWP and child support requirements in order to receive the extended K-TAP. The extension is reviewed at the regular recertification.

5. Is an adult with insufficient employment opportunities, as determined by the Cabinet, who has complied with KWP and child support requirements.

Insufficient employment opportunities are determined case by case based on the conditions of the local area. The extension is limited to 6 months. To receive in the 6-month extension, the individual must:

- a. Register with employment offices including the Department for Employment Services and temporary employment agencies. The individual must actually go to the employment offices to register. The K-TAP work registration process (form PA-219) is not sufficient;
- b. Take advantage of employment opportunities offered to the individual;
- c. Continue to comply with KWP and child support requirements. In order to meet KWP requirements, the individual must participate in specified countable components only. The specified components are:
 - (1) Employment of 30 hours at minimum wage or more;
 - (2) Work subsidy;
 - (3) Work experience training program;
 - (4) Job readiness training; and
 - (5) Community service.Education and vocational training are NOT countable KWP activities in the 6-month extension.
- d. These cases are reviewed no less than every 3 months.

6. If otherwise eligible, a benefit group containing an adult who has lost a job due to no fault of his/her own, within 30 days of reaching the 60-month limit shall receive a 3-month extension of the time limit. The 3 months are consecutive and are granted only once.

- B. To identify a case that is determined eligible for extending the receipt beyond the 60-month limit, enter the code for the appropriate extension reason on KAMES, General Information Screen. The extension codes are:

- B - An individual who is battered or subject to extreme cruelty;
- M - Has physical or mental condition prohibiting work as determined by the Cabinet;
- C - Is required to provide constant care of a HH member, who is a parent, spouse, or child with a disability and no alternative care arrangement is available;
- G - Is a grandparent or other close relative caring for an eligible child who would otherwise be placed in Foster Care;

- I - Is an adult with insufficient employment, who has complied with all program requirements including participation in KY Works;
 - E - A benefit group containing a member who has lost a job within 30 days of reaching the 60-month time limit; or
 - N - No, not eligible for the 60-month extension.
- C. When the extension ends, the case is discontinued manually using the procedures found in [MS 2002](#) C thru G. Any discontinuance action by the worker will pend for supervisory approval.
- D. The K-TAP family may be eligible for Work Incentive Reimbursement if the criteria is met when the case is discontinued at the end of the extension.

MS 2007

KWP FULL FAMILY SANCTION

Failure on the part of a work eligible individual to participate in Kentucky Works activities can result in a full family sanction and discontinuance of K-TAP benefits.

- A. A full family sanction and discontinuance of the K-TAP case is applied when a work eligible individual has:
 - 1. Received 6 or more cumulative months of K-TAP or cash benefits in another state since 8/1/05; and
 - 2. Been penalized by a pro rata reduction of benefits in K-TAP case for 3 cumulative months since 8/1/05.
- B. The Full-Family Sanction policy and procedures are not appropriate for "W" cases as the Qualifying Parent is required to participate in KWP activities in order to meet technical eligibility requirements. Failure to participate the required hours in KWP activities results in discontinuance of the K-TAP case. Do NOT sanction "W" case members on STEP.
- C. When a criteria for the Full-Family Sanction is met, KAMES implements the action automatically. The discontinuance code is 536, Full-Family Sanction. The Full-Family Sanction discontinuance takes precedence over all other discontinuance codes except for the 660 code, "Household Discontinued Due to 60 Month K-TAP Lifetime Limit".

When a K-TAP case discontinues for the Full-Family Sanction:

- 1. KAMES alternate programs the case to Medical Assistance, including the sanctioned individual, if appropriate. KAMES disregards the 431 MA KWP Disqualification when a case program transfers to medical assistance. KAMES recognizes a 431 MA KWP Disqualification in a "C" category K-TAP case only.
 - 2. KAMES automatically refers the case to Protection and Permanency for Safety Net services, See Volume III, [MS 2010](#) for more information regarding Safety Net.
 - 3. KAMES posts the spot check, 'C' Disc 536-Review FS 310/316", to the worker's DCSR to review the Food Stamp case. The K-TAP discontinuance cures the Food Stamp penalty after the minimum Food Stamp disqualification is served. For more information on Food Stamp disqualifications, refer to Vol. IIA, [MS 2200](#).
- B. If the individual reapplies for K-TAP following a KWP Full-Family Sanction, refer to Vol. IIIA, [MS 4780](#).

MS 2010*

SAFETY NET

KAMES generates a listing to Protection and Permanency (P&P) for K-TAP cases discontinued due to a full family sanction or reaching the 60-month time limit. The purpose of the referral is to ensure the safety of children in the home is not threatened due to closure of the cash benefit case. P&P contacts the family to assess the current living situation. On a case by case basis, P&P may:

- A. Provide assistance to the family to identify problems and resources to address those problems.
- B. Make referrals to appropriate resources.
- C. Intervene in a crisis situation such as a fuel shortage, utility shut-off, insufficient food, clothing, housing, or employment.
- D. Respond to an inquiry regarding the family.
- E. Authorize up to \$635 to be paid to an appropriate vendor over a period of 4 months in a 12-month period of time to address safety issues.

The K-TAP family must contain a child and have income at or less than 200% of the federal poverty level.

Other than using the appropriate discontinuance code on KAMES, Family Support staff is not involved in the determination of safety net services.

MS 2100*

MAKING AN APPLICATION

No individual is refused the opportunity to apply. Conditions of eligibility or agency procedures do not prohibit the opportunity for an individual to apply and obtain a determination of eligibility or ineligibility. The applicant may be assisted by any individual in the application process, and may be accompanied by this individual in all contacts with the agency. If the applicant needs help to apply, the worker should provide help.

For an inquiry not resulting in an application, complete form PAFS-97 off the KAMES Main Menu, Option I. If the system is down, a hard copy PAFS-97 must be completed.

- A. If the individual has a physical or mental impairment that prohibits them from being able to come to the office to make application:
 - 1. Make a home visit or meet the individual at an alternate site that accommodates the individual to complete the application process; or
 - 2. Allow the household the option of designating a representative to complete the application process. The representative is designated in writing by the individual, unless the individual is physically or mentally impaired; or
 - 3. If the physically or mentally impaired individual has no friend or relative to help with the application process and interview, refer that individual to county and community resources for assistance.
- B. If the individual has a physical or mental impairment that affects the individual's ability to access services or is elderly, make accommodations for any special needs the individual may have. Special needs may include, but are not limited to:
 - 1. Interpreter services for hearing impaired individuals. Refer to Volume I, [MS 0108](#);
 - 2. Limited English Proficiency (LEP) services. Refer to Volume I, [MS 0112](#) and [MS 0115](#));
 - 3. Additional space for the interview to accommodate an individual's medical equipment such as a wheelchair;
 - 4. Scheduling appointments at a time which corresponds to the use of special transportation services; or
 - 5. Scheduling appointments to accommodate the client's work schedule or family's health care appointments.
- C. If the individual cannot stay to complete an application, have the individual complete form KIM-77, KAMES Application - Intent to Apply.

Schedule an appointment to complete the application process. Accommodations must be made for individuals with physical or mental impairments with regard to time and location of the interview. Enter the application on the first four screens on KAMES.

D. The date of application is:

1. The date the individual comes in the office and applies either by completion of a KAMES application or by filing form KIM-77; or
2. The date of contact with the Agency by a physically impaired individual who needs special assistance due to the impairment.

E. The application is completed in the county of residence if the individual applies in the county of residence. If the individual is applying in a county other than the county of residence:

1. Complete the application as appropriate to protect the filing date, approve if possible and transfer to the county of residence on the same day the application is taken;
2. Explain to the individual that the application will be processed (if still pending) and maintained in the county of residence; and
3. The DCBS office in the county of residence processes the pending application using the original application date.

MS 2105* JOINT PROCESSING OF K-TAP AND FOOD BENEFITS CASES

- A. Food Benefits households are divided into two classifications:
 - 1. Public Assistance (PA) households are those in which all members have applied for, or have been approved for, K-TAP or State Supplementation benefits.
 - 2. Nonassistance (NA) households comprise all those Food Benefits cases not classified as PA households.
- B. PA Food Benefits households must have a single interview for both K-TAP and Food Benefits programs at initial application and at recertification at least once per year. PA households cannot be required to see a different caseworker to obtain benefits for both programs.
- C. If the Food Benefits worker begins the interview and determines that the household has been incorrectly classified as a NA household, the worker completes the interview to the extent possible. If the worker cannot complete the K-TAP application, the worker gives the individual the option to:
 - 1. Stay to complete the K-TAP application if a K-TAP worker is available; or
 - 2. Give the individual form KIM-77, Intent to Apply to complete along with an appointment letter which not only specifies the time and date, but also all information needed to complete the application.
- D. If a household is applying for both programs, it is required to submit only one set of verification. The workers exchange copies of any verification which is pertinent to processing a case action for either program.
- E. If a case is a joint application or a related case, KAMES calculates the K-TAP/State Supplementation (IM) case first and the Food Benefits case next. If a case is listed as "Next Case", press enter to see the disposition/calculation for that case and complete the action for that case.

To return to the application to change data, type "Names" in the Next Action" field that contains the word "Notes" on the Disposition screen. After this screen, return to the Household Members screen is not possible. If necessary to prevent benefits from issuing in error, the case must be placed into pending status through supervisory override.
- F. When a joint application is pending, each application is updated separately.
 - 1. If all verification for both cases is provided, update and dispose the IM application first; then dispose the Food Benefits case.

2. If all the verification is provided for the Food Benefits case but not the K-TAP case, process the Food Benefits case first.
-
- G. If, within 30 calendar days following the date the application was filed, sufficient verification for Food Benefits purposes is available but the household has not provided sufficient verification for K-TAP purposes, do not delay processing the Food Benefits case.
 - H. If the K-TAP case is approved after the 26th of the month, the K-TAP benefits are not counted in the Food Benefits case for that month. The K-TAP benefits are counted in the ongoing months.
 - I. PA Food Benefits households must have a joint certification appointment once per year. Prior to scheduling a PA Food Benefits recertification appointment, review the K-TAP certification periods and shorten if necessary to match the Food Benefits case.

MS 2110*

STANDARD OF PROMPTNESS

The standard of promptness refers to the time frame allowed for a worker to process a case action. The timeframes vary depending on what type of case action is being completed.

- A. An application must be processed by the close of business on the 30th day following the date of application in order to meet the standard of promptness. The first day of the 30 day period begins the day after the date of application and ends at close of business on the 30th day. If the 30th day falls on a weekend or holiday, use the next work day. Workers are to ensure the following guidelines are met.
 1. If the individual is not eligible the worker is to ensure that:
 - a. KAMES processes a denial of the KTAP benefits;
 - b. A determination of MA eligibility for the household is made, and if necessary, additional separate cases are established to maximize MA eligibility for the household; and
 - c. A payment is not issued to the client.
 2. If the individual is ineligible for the month of application but is ongoing eligible the worker is to ensure that:
 - a. A denial of KTAP benefits is processed for the month of application, and;
 - b. An approval for ongoing eligibility is processed.
 3. If the individual is ongoing eligible the worker is to apply deductions, including the \$30 and 1/3 or \$30 deduction, to earned income and process an approval of the application on KAMES.
- B. To process a recertification within the standard of promptness, action must be completed by the last day of the recertification month.
- C. Case change actions must be entered in KAMES within 10 calendar days of the reported change in order to meet the standard of promptness for changes.

MS 2120* K-TAP APPLICATION/RECERTIFICATION INTERVIEWS

A face-to-face interview is required for all applications, reapplications and recertifications. The interview is usually conducted in the local office. However, if the individual is unable to come to the office due to a physical or mental impairment, the interview may be conducted at an alternate site that accommodates the individual. The interview can also be completed by a home visit or designated representative.

The face-to-face recertification interview is scheduled every 12 months for K-TAP cases. The interviews can be completed prior to the beginning of the recertification due month. If a related PA Food Benefits case is due for recertification in the month prior to the K-TAP recertification month, the interview is scheduled in the month of the PA Food Benefits recertification.

During the application/recertification interview, ask the individual each question from the application and discuss any answers which need clarification or are inconsistent. Do not ask for information concerning a noncitizen who is not applying for benefits if the information is not needed to determine eligibility for the K-TAP benefit group.

Ensure that the following items are covered:

- A. Explain the 60-month time limit for receipt of K-TAP benefits.
- B. View and copy documentation of citizenship and identity.
- C. Obtain social security numbers for all members applying for benefits. Assist any member who does not have or who cannot provide a social security number to initiate an enumeration application. Refer to Volume I, [MS 0650](#) and [MS 0653](#).
- D. Explain the Kentucky Works Program, provide form PA-219, Kentucky Works Assessment Process. For work eligible individuals, complete the KWP assessment and the transitional assistance agreement (TAA), if possible. Refer to [MS 2322](#) for the definition a work eligible individual.

Explain supportive services including the Child Care Assistance Program (CCAP), transportation payments, Relocation Assistance, Work Incentive (WIN) reimbursements, and other supportive services provided under KWP.

- E. Explain the requirements of the child support program in cases of voluntary absence. Complete a referral for child/medical support activities if applicable.
- F. Explain medical services available including Early and Periodic Screening, Diagnosis and Treatment. Review and provide form PA-3, Facts about Early and Periodic Screening, Diagnosis and Treatment.
- G. Explain third party liability requirements including the Kentucky Health Insurance Premium Payment (KHIPP) program and that Medicaid is the payor of last resort.

- H. Explain retroactive Medicaid coverage, as appropriate.
- I. Explain that all changes must be reported within 10 calendar days of the date of change, as well as any changes which occur prior to processing the application. Explain that if the child is expected to be out of the home for more than 30 days, the individual must report this change within 5 days. Provide form PA-17, Responsibilities for Reporting Changes.
- J. Explain the effects of lump sum income.
- K. Explain the individual's right to fair hearing to appeal any adverse decision.
- L. Explain the individual's rights under the Civil Rights Act and the Americans with Disabilities Act (ADA). Review form PAFS-600, Do You Know?, the ADA fact sheet with the individual and give the form to the individual.
- M. Explain claim policy.
 - 1. Determine if there is an outstanding claim.
 - 2. Discuss with the applicant/recipient repayment of any claim.
- N. Explain proration of benefits for the month of application.
- O. Explain Transitional Medical Assistance (TMA).
- P. If a member of the assistance unit appears to have a disabling health condition, e.g., quadriplegia, head injury, etc., refer the individual to the Social Security Administration utilizing form PAFS-5.1, Report or Referral to the District Social Security Office, to apply for SSI/RSDI benefits. The individual's K-TAP application is NOT delayed pending a determination of the individual's RSDI or SSI entitlement.
- Q. Explain the voter registration process and complete form PAFS-706, Voter Registration Rights and Declination, for any member age 18 or over who is present at the interview and not registered to vote. See Volume I, [MS 1200](#) and [MS 1230](#).
- R. Explain the use of Electronic Benefit Transfer (EBT) to access benefits.
- S. Obtain a nearby telephone number, if available, for any applicant/recipient who does not have a telephone.
- T. Provide the individual with a request for information (RFI) or verification needed to process the application/recertification that indicates the date the information/verification must be returned.

MS 2125*

Content of the Assessment

The assessment is completed to determine a work eligible individual's current level of employability and develop a plan to reach self-sufficiency. It is used as a basis for determining:

- Kentucky Works program activities;
- Barriers which may limit an individual's ability to become employed; and
- Referrals to other agencies or contractors for needed services.

Before beginning the assessment, provide form PA-219, Kentucky Works Assessment Process, and review it verbally with the individuals to ensure better understanding of the process. Individuals have the right not to respond to the optional portions of the assessment. Explain to individuals that providing the optional information could benefit them and help better identify services or accommodations to assist them with participation.

The assessment consists of six categories of questions developed to elicit open discussion with the individual to identify his/her strengths and, if present, barriers to address in order to ensure maximum participation in selected activities.

A. The categories that are explored for all recipients are:

1. Employment related questions to capture work experience, skills, job preferences, and potential impediments to employment. Refer to Volume III, [MS 2135](#).
2. Education related questions to determine the existing level of formal education, need for English as Second Language (ESL) instruction, and if the individual wishes to participate in an education component. Refer to Volume III, [MS 2140](#).
3. Questions to determine the need for child care, transportation, housing, personal care items or clothing, health care, housing, counseling for family issues, safety planning for domestic violence, or parenting skills. Refer to Volume III, [MS 2145](#).

B. The following categories are optional and explored only if the individual agrees to answer questions related to general health, mental health or learning needs. The K-TAP application is not denied if an individual does not complete these sections:

1. General health questions to determine if the individual has physical health issues that need an accommodation to the types of activities or

hours of participation and/or a referral to community resources for further assessment. Refer to Volume IIIA, [MS 4500](#).

2. Mental health questions to determine if the individual has issues relating to depression, substance abuse, attention or anxiety that need accommodation to the types of activities or hours of participation and/or a referral to community resources for further assessment. Refer to Volume IIIA, [MS 4505](#).
3. Learning needs questions to determine if a referral is needed for a professional screening for the presence of a learning disability. KAMES is programmed to make this determination. Refer to Volume IIIA, [MS 4510](#).

MS 2130*

ASSESSMENT PROCEDURES

Work eligible individuals are required to complete a Kentucky Works assessment to be eligible for K-TAP benefits. If an individual fails to complete the assessment, the K-TAP application is denied or the existing K-TAP case is discontinued. Eligibility for medical assistance is explored.

A. Not all individuals are required to be assessed:

1. Individuals coded D, U, T, or G on KAMES are exempt from Kentucky Works Program (KWP) participation and are not required to complete the assessment process. Refer to [MS 2324](#). Completing the assessment process is a requirement when the exemption is no longer appropriate. For individuals who are exempt from KWP work requirements:
 - a. Enter the appropriate exempt code; and
 - b. Answer "N" to the question "Is a KWP assessment required?". If the worker answers "N" to this question and KAMES determines this individual to be a KWP work eligible individual with no exemptions. At disposition, the case will pend indicating "Kentucky works program assessment must be completed".
2. The following members are not required to complete the assessment process:
 - a. SSI recipients;
 - b. Ineligible aliens; and
 - c. Teen parents age 18 or younger who are not coded as M03/M04.
3. KAMES does not determine technical eligibility for these members until it reaches the disposition screen. In order to bypass the assessment process for these individuals:
 - a. The question "Is this member exempt from KWP?" is answered "N"; and
 - b. The question "Is a KWP assessment required?" is answered "N".

KAMES will determine during the disposition of the case that the assessment is not required and the case is not pended or denied for failure to complete the assessment.

Example: The worker answers "N" to "Is a KWP assessment required?". KAMES determines the applicant is a work eligible individual with no exemption and displays "Kentucky works program assessment required" as the reason for the case pending. The worker re-evaluates if the individual meets exemption criteria. If the individual is an SSI recipient, all questions pertaining to SSI must be answered correctly. If the individual is determined to be a work eligible individual with no exemptions, the

question "Is a KWP assessment required?" is changed to "Y" and the assessment is completed.

- B. Give each applicant a copy of the Americans with Disabilities Act (ADA) fact sheet, form PAFS-600, Do You Know?. Ensure all applicants understand the protections and the right to accommodation if physical or mental impairments and learning problems covered by the ADA are present in the family.
- C. Prior to completing the assessment screens on KAMES, all work eligible individuals must be given a copy of form PA-219, Kentucky Works Assessment Process.
 - 1. Review form PA-219 and ensure that the individual understands that:
 - a. They will be asked questions related to mental and physical impairments and learning problems;
 - b. Answering the questions is optional;
 - c. Answering the questions may let us know if they need extra help;
 - d. Choosing to not answer the questions related to mental and physical impairments and/or learning problems will not cause their application to deny; and
 - e. The questions may be answered at a later date by telling their worker they would like to complete the optional portion of the assessment.
- D. At application, program transfer, recertification, and member add, the assessment screens are accessed by:
 - 1. Answering "Y" to the question "Is a KWP assessment required?"; and
 - 2. Answering "Y" to "Will assessment be completed today?" on the member's KAMES KWP screen.
- E. If the assessment cannot be completed during the K-TAP application process:
 - 1. Answer "N" to the question "Will the KWP assessment be completed today?"; and
 - 2. Answer "N" to the question "If no, has the participant refused to complete assessment?".

The application or recertification will pend for completion of the assessment. Schedule an appointment to complete the assessment process on the Request for Information (RFI) generated by KAMES.

- F. If the individual refuses to complete the assessment process, answer "Y" to "If no, has participant refused to complete assessment". KAMES will deny the application or initiate action to discontinue the K-TAP case.
- G. An application will pend for up to 10 days for completion of the assessment. If more than 10 days is needed, the application can be held pending for up

to 30 days by answering "Y" to the question "Pend over 10 days?" on the case disposition screen. Document in KAMES comments the reason for extending the time frame. Do not pend a case over 30 days for completion of the assessment.

- H. A recertification will pend for up to 10 days for completion of the assessment. The worker has the option to pend the recertification over 10 days by answering "Y" to the question, "Pend over 10 days?" If the assessment is not completed within the time frame indicated on the RFI, an adverse action notice is generated and the K-TAP case is discontinued. Do not pend a case over 30 days for completion of the assessment.
- I. At case change, the case will pend for 10 days for completion of the assessment. If the assessment is not completed within the time frame indicated on the RFI, an adverse action notice is generated and the K-TAP case is discontinued.
- J. If KAMES is not available and a hardcopy application is completed, complete a hard copy assessment utilizing form KW-200, Kentucky Works Assessment Form. Enter the assessment information collected on form KW-200 on KAMES when processing the application, recertification, or case change.
- K. When a KWP exemption ends:
 - 1. Generate an appointment letter from the KAMES appointment scheduling menu, option "D" on the KAMES main menu to complete the assessment.
 - 2. Access the individual's MM screen from the case change menu. Remove the individual's exempt code and pend the K-TAP case on KAMES by:
 - a. Answering "N" to the question, "Is this member exempt from KWP?";
 - b. Answering "Y" to "Is he/she being referred for KWP?";
 - c. Answering "Y" to "Is a KWP Assessment required?";
 - d. Answering "N" to "Will an Assessment be completed today?"; and
 - e. Answering "N" to "If no, has the participant refused to complete assessment?".
 - 3. If the individual refuses to be assessed or fails to keep the appointment, answer "Y" to "If no, has the participant refused to complete assessment?" KAMES discontinues the K-TAP case.
- L. Effective 5/09 "U" exemptions are automatically removed by KAMES. A spot check is posted on the worker's DCSR stating "KWP Assessment Required". The worker must generate an appointment notice to the individual to complete the assessment process. If the individual fails to appear for the interview or complete the assessment, answer "Y" to "If no, has the participant refused to complete assessment?". KAMES discontinues the K-TAP case.

- M. Once entered on KAMES, assessment information uploads for subsequent reapplications. Review of each screen is required. Revisions to the screens are made, if appropriate. KAMES does not maintain a history of assessment information; however, the last information entered will display.
- N. A Food Benefit or Medicaid disqualification is not appropriate for denials or discontinuances due to failure to complete an assessment. Completion of the assessment is a technical eligibility factor for K-TAP and not a work requirement.
- O. The denial/discontinuance reason code "Did not complete Assessment" appears as:
 - 1. Case denial code 159;
 - 2. Case discontinuance code 559; and
 - 3. Member status code 759.

MS 2135*

EMPLOYMENT ASSESSMENT

Employment related questions on the assessment screens are used to:

- A. Review the individual's employment history.
 - 1. If currently working, list the job as an activity on the K-TAP Transitional Assistance Agreement (TAA) and enter earnings and hours on KAMES.
 - 2. Review prior employment and volunteer experience to determine the individual's interests and aptitude.
 - 3. Identify the individual's marketable skills and explore if these skills are transferable to jobs available in the area.
 - 4. Discuss if additional training or experience is needed in order to get a job.
 - 5. Determine if past behaviors negatively impact the individual's ability to find and keep a job. Develop a strategy to lessen the impact of the behavior on current activities.
 - 6. Identify issues that the individual feels may prevent employment. A plan of action is needed to address the identified issues.
- B. Indicate observable behavior from the interview that will assist in the development of the TAA on the worker's observation page if needed. Entries may consist of pertinent information relating to:
 - 1. The individual's interviewing and interpersonal skills observed during the assessment and application process.
 - 2. The individual's written communication skills as evidenced by completion of forms.
 - 3. Discussions regarding past work experience.
 - 4. Training needs.

MS 2140*

EDUCATION ASSESSMENT

The education assessment gathers information on the individual's basic and advanced educational level and includes screening questions to assess the individual's need or desire to pursue a high school credential or attend classes to improve English Language skills.

The worker observation/additional comments screen is used to record information provided by the individual that is not addressed in other responses.

Assess the information to determine the educational activities to be included, if appropriate, on the K-TAP Transitional Assistance Agreement.

MS 2145*

BARRIERS ASSESSMENT

- A. Information is collected from the individual during the assessment process to identify the following:
1. The need for child care arrangements and back up plans for children who require supervision.
 2. The need for a reliable transportation source to travel to and from a job or other activities. Determine if the individual has access to a vehicle and if he/she is able to drive legally. Other options can include public transit, carpools, identifying components near a bus line or within walking distance, or being transported by family members or friends.
 3. An unstable housing situation. Frequent moves may be an indicator of domestic violence, lack of a personal support system, the need for life skills instruction or linkage to sources of housing assistance available in the community.
 4. Lack of personal care items, clothing, glasses, or the need for dental care.
 5. How employers, service providers, or the case manager can contact the individual. If there is no phone in the home, identify alternate communication sources.
 6. The presence of possible domestic violence. If the worker suspects an abusive or neglectful situation that endangers children or adults, contact with Protection and Permanency (P&P) is legally required. Reports can be made by calling the Adult and Child Abuse Reporting Hotline at 800-752-6200 or following procedures set up by the Region. Follow up the telephone contact in writing with an e-mail or on form PAFS-628, Exchange of Information. Indicate a domestic violence situation.
 7. Issues with a child's behavior.
- B. Completion of questions relating to the following barriers is optional. Do not deny or discontinue benefits if the individual chooses not to answer questions in this segment of the assessment
1. General health (refer to Vol. IIIA, [MS 4500](#));
 2. Mental health (refer to Vol. IIIA, [MS 4505](#)); and
 3. Learning needs (refer to Vol. IIIA, [MS 4510](#)).

MS 2150*

RECERTIFICATION PERIODS

All K-TAP cases are recertified on a 12-month cycle. The 12-month cycle begins with the month of application. If a joint application is entered on KAMES, the certification/recertification period automatically assigned by KAMES should match for the PA Food Benefit case and the K-TAP case.

Workers have the ability to shorten the certification period if necessary. Review the dates assigned by the system prior to disposition to ensure PAFS/K-TAP households requiring a joint interview are assigned correctly.

MS 2155* SIGNING APPLICATION/RECERTIFICATION FORMS

- A. The application is signed and dated, during a face-to-face interview, by the parent or other specified relative (SR) with whom the child lives, the legally appointed committee of the parent or other specified relative with whom the child lives or the representative. For K-TAP-UP applications, either parent may sign the application.
- B. All other application/recertification forms are signed and dated by the specified relative, second parent or representative and he/she is responsible for providing all information and verification necessary for an eligibility determination.

A representative can complete and sign all necessary forms with the exception of the child/medical support enforcement referral. These forms must be signed by the specified relative or minor parent, as appropriate. If the specified relative is physically unable to come into the office to complete the child/medical support enforcement referral, the worker may complete the information in a telephone interview and forward the signature page to the individual for signature; or if the individual does not have a phone, a home visit is required. If the specified relative is expected to be mentally or physically unable to sign the child/medical support enforcement referral for a period of time exceeding standard of promptness, contact the Family Self-Sufficiency Branch through the Regional Office.

MS 2160*

CASE ACTION ON APPLICATIONS

Approve the application on the day of processing if all technical and financial eligibility factors are met and verified.

- A. If a K-TAP application is made for a child who is receiving Foster Care in the same month, the application cannot be approved until the Foster Care benefits stop. Verify through Protection and Permanency staff the date the benefits stopped. The K-TAP case may be approved effective the day following the date Foster Care benefits stop.

EXAMPLE: A child is in a Foster Care home until November 18. A K-TAP application is made for the child on November 17 based on the child being returned to the parent's home. Protection and Permanency staff verified that Foster Care benefits were paid from November 1 through November 18 when they were discontinued. The approval date for the K-TAP case would be November 19.

- B. For Reapplications involving Kentucky Works Program (KWP) sanctions, refer to Volume IIIA, [MS 4780](#).
- C. For a reapplication due to an erroneous denial:
1. Process the reapplication for ongoing months;
 2. Determine eligibility for the erroneously denied months; and
 3. Issue benefits for the erroneously denied months through special circumstance.
- D. For a reinstatement due to an erroneous discontinuance, refer to Volume VI, [MS 4460](#).
- E. K-TAP benefits are prorated from the date of application except in cases of reinstatement, erroneous discontinuances or when the 31st day of unemployment is beyond the date of application.
- F. Deny the application if:
1. All technical and financial eligibility factors are not met; or
 2. Eligibility cannot be established due to the applicant's failure to present requested information within the time-frame of the Request for Information (RFI) or to clarify inconsistencies.
- G. If form PAFS-28, Out-of-State Inquiry, indicates the individual received a payment for the same month as the Kentucky application and the TANF case is still active in the other state, the K-TAP application is denied. However, if action has been taken by the other state to discontinue the

TANF payment, deduct the out-of-state payment on a dollar for dollar basis from the ongoing payment. Do not apply ratable reduction policy to the out-of-state TANF payment. Remove the TANF payment effective the month the other state's effective month of discontinuance.

In situations where the individual received a TANF payment from another state and the Kentucky K-TAP application is denied due to an active out-of-state case or excess income, make a determination of eligibility for MA.

MS 2170* REQUEST FOR A MEMBER ADD TO A K-TAP CASE

Upon learning an individual, who is required to be included in the K-TAP case, has entered or been in the household for some time, inform the SR/payee of the requirement to include the individual.

- A. If the SR/payee reports in person to add an individual, and provides all the required information at that time, and:
 1. Enter the information for the new member on KAMES through member add while the individual is present, if possible; or
 2. If the member add cannot be entered on KAMES at the time of report, document form PAFS-126, Change Report Form, with the technical eligibility for the new member, including age, enumeration, relationship, deprivation, KWP status, etc. Send a request for information if more information or verification or an appointment is needed.
 - a. If the SR/payee keeps the appointment or provides information/verification, complete the member add. Use the date of form PAFS-126 as the member add effective date. For procedures on issuing supplemental payments, refer to [MS 2877](#).
 - b. If the SR/payee fails to keep the appointment, take appropriate action to discontinue the case based on failure to provide sufficient information to determine eligibility.
- B. Redetermine K-TAP eligibility retroactive to the date the individual was required to be included in the case (date individual entered the home or date of birth for a newborn), considering the new individual as a family member, and using the individual's income and resources to determine if a supplemental or claim is appropriate. DO NOT issue supplemental benefits prior to the date of the member add or form PAFS-126. For procedures on issuing supplemental payments, refer to [MS 2877](#).
- D. For requests to add a member currently included in an active K-TAP or Kinship Care case, the effective date is the first day of the first month the individual is removed from the other case.
- E. When a Foster Care child moves to the home of a relative, meeting the definition of a relative, process the supplemental request immediately if possible. Begin proration with the date after the Foster Care benefits have stopped if all other eligibility factors are met on that date.

MS 2175* PROCESSING RECERTIFICATIONS AND CASE CHANGES

- A. For a recertification or case change, if the individual is eligible on the day of processing, assistance continues.
- B. If the individual is ineligible on the day of processing, KAMES discontinues assistance and determines MA eligibility through alternate programming. Establish a claim, if appropriate.
- C. If a change in circumstances is reported by the individual enter the information on KAMES immediately. KAMES determines eligibility.
- D. If the change results in a benefit decrease or discontinuance, take action to affect the benefits in the first administratively feasible month. Establish a claim, if appropriate.
- E. If the individual reports a change which would increase the benefits, but does not provide necessary information at the time of report, then:
 - 1. Send a request for information and/or schedule an appointment to obtain the required verification.
 - 2. Allow the individual 10 calendar days from the date of the request for information to respond. If the 10th calendar day falls on a weekend or holiday, the information is due the following workday.
 - 3. If the individual responds WITHIN 10 calendar days, process the change. Authorize supplemental payments beginning with the month in which the individual reports the change, using the date on form PAFS-126 and/or a request for information when adding an individual to the case, or the date on which all technical eligibility factors are met.
 - 4. If the individual DOES NOT respond within 10 calendar days, KAMES takes the appropriate action and sends a notification of the action taken.
 - 5. If the individual responds AFTER 10 calendar days but prior to the end of the adverse action period, process the change. If appropriate, authorize supplemental payments beginning with the month in which the information is provided, the day on which the supplemental request is made, or the day on which all technical eligibility factors are met.
- F. Changes reported by a third party should be handled in the following manner. Schedule a face-to-face interview with the client to discuss on going K-TAP eligibility. This can be done by either manually sending a form PAFS-2, Application Letter or Notice of Expiration, or by scheduling an appointment from KAMES appointment calendar update, type CH-change. Also manually send a form PAFS-700, Verification of Income, if the change

involves income or a form PAFS-76, Information Request, if the change involves an address change. Accommodations must be made for individuals with physical or mental impairments with regard to time and location of the interview.

1. If the client fails to show for the appointment, discontinue benefits.
 2. If the client attends the appointment and the new information is verified, the change is entered on KAMES.
- G. When a K-TAP client reports a change to the K-TAP worker, the change is considered reported for Food Benefit purposes. The client is not required to report it to the Food Benefit worker or provide separate verification.

MS 2195*

NOTIFICATION REQUIREMENTS

Applicants and recipients must be notified of all approvals, denials, discontinuances, recertifications, and case changes.

- A. KAMES produces automated notices for case actions entered on KAMES. Notices issued by KAMES are sent to the mailing address listed on KAMES.
- B. KAMES notices are maintained on RDS/DocumentDirect and can be printed by the worker as needed. The report name is "N 105 - HR KIPM60 KAMES 105 Notices Index". There are various listings of this report with alpha suffixes. Use the index to identify the specific report containing the notice needed. Cases are listed in order of the case social security number.
- C. Manually send form PA-105, Notice of Eligibility/ Ineligibility, for all case actions not entered on KAMES, including denials of educational bonus requests, Family Alternative Diversion (FAD) payment requests, or Kentucky Works Program (KWP) supportive services payment requests.

MS 2200*

FAMILY ALTERNATIVES DIVERSION (FAD)

Family Alternatives Diversion (FAD) is a program for K-TAP applicants who are self-supporting or could be self-supporting if a few short-term needs were met. FAD is approved for a three month eligibility period as an alternative to ongoing K-TAP benefits. One or more checks with a combined total of up to \$1300 may be issued to resolve short-term needs.

Individuals cannot apply for FAD. The worker screens the K-TAP applicant for FAD eligibility based upon information entered on form FA-1, Transitional Assistance Self-Assessment. If the worker determines the applicant's needs could be met by FAD payments, the applicant has the choice of receiving ongoing K-TAP or FAD.

FAD receipt does not count toward the K-TAP 60-month lifetime limit.

Effective January 1, 2003, individuals may only receive FAD benefits twice-in-a-lifetime. FAD approvals prior to January 1, 2003 do not apply to the twice-in-a-lifetime limit.

A. The household must meet the following criteria to be FAD eligible:

1. Not currently receiving K-TAP benefits. A family cannot return or reimburse the amount of a K-TAP check in order to be approved for FAD.
2. Meet K-TAP eligibility requirements with the following exceptions:
 - a. The applicant must only meet the gross income test for the application month. Income anticipated to be received beyond the application month is not considered;
 - b. The 30-day waiting period for desertion and unemployment do not apply;
3. The household must have a verified short-term need that resulted from an unexpected change in circumstance. The short-term needs may include;
 - a. Car repair or other transportation assistance;
 - b. Child care if not receiving child care assistance;
 - c. Housing; or
 - d. Employment related problems.
4. Be determined to be self-supporting if the short-term need is met. Self-supporting is defined as an individual who is employed or will be employed by the end of the 3-month eligibility period.

B. Households not eligible for FAD are those:

1. Serving a K-TAP ineligibility period;
2. Discontinued for a full family sanction;
3. Discontinued due to K-TAP receipt of 60 months;

4. Requiring the decision of the Medical Review Team in order to establish a deprivation factor. Situations when incapacity can be established by a field determination (Refer to [MS 2381](#)) may be considered for FAD.
 5. Whose only household income is child support, Social Security, SSI, or from other unearned sources.
 6. With an adult who has received FAD benefits twice since January 1, 2003.
 7. With an adult who has received FAD benefits within 24 months of the current application.
 8. Contain an adult who voluntarily quit a job without good cause.
- C. Receipt of FAD excludes the benefit group from receiving K-TAP for 12 months unless non-receipt of K-TAP would result in:
1. Abuse or neglect of a child, as determined by the Cabinet; or
 2. The parent's inability to provide adequate care or supervision for their children due to loss of employment through no fault of the parent, as determined by the Cabinet.
- A mechanism exists between FAD and KAMES so that every family member who receives FAD will display on KAMES as ineligible members if they are included in a K-TAP application. If it is determined that the family meets the criteria to receive K-TAP within 12 months of the FAD approval, answer "Y" to the "Good Cause for FAD/K-TAP Exists" question on KAMES.
- D. The following additional services/referrals should be offered to all FAD applicants.
1. An application should be taken or referrals made for the following benefits as needed by the household:
 - a. Food Benefit Program;
 - b. Medicaid
 2. Referrals to the following agencies or organizations should be made, as appropriate;
 - a. The Child Support Enforcement. Provide the applicant a non K-TAP Child Support application;
 - b. The Department for Public Health;
 - c. The Child Care Assistance Program (CCAP). Use form DCC-86 when referring a client for services.
 - d. Other charitable organizations.

MS 2203*

FAD ELIGIBILITY DETERMINATION

Take the following steps to determine FAD eligibility:

- A. All applicants for K-TAP complete form FA-1, Transitional Assistance Self Assessment, to provide basic information. The form also identifies the short-term need and recent unexpected changes, which led the family to apply for K-TAP.

If any or all members of the benefit group received K-TAP benefits for the calendar month of application, do not screen for Family Alternatives.

- B. After form FA-1 is complete, the form is reviewed to determine if the applicant is a good candidate for FAD and if the applicant received FAD within the previous 24 months and/or twice. Determine financial and technical eligibility for K-TAP at this point based on the applicant's stated information.
- C. If the family appears eligible for K-TAP based on the applicant's statement, discuss in detail the financial and service needs of the family. Complete form FA-2, Family Alternatives Assessment. If the family has income or expects income sufficient to meet ongoing needs, but has existing short-term financial needs, explain the option to receive cash payments through FAD or regular K-TAP assistance. Applicants must understand that they are not eligible to receive K-TAP for 12 months from the month the first FAD payment is authorized. The applicant signs the Family Alternatives Acceptance Agreement section of form FA-2 only if they choose to receive FAD.
- D. If the family chooses to accept FAD, verify the K-TAP technical and financial eligibility and the short-term needs. Complete form PAFS-97 off the KAMES Main Menu, Option I to indicate why a K-TAP application was not taken unless the applicant completed form KIM-77, Intent to Apply. If form KIM-77 was completed, deny the K-TAP application on KAMES before approving the FAD case.
- E. Establish a separate case record for FAD approvals. The case number is the county number and "FA" followed by the SSN. Form PAFS-116, Case History Folder, is not required. The FAD application must be processed within 15 days from the date it is filed. The FAD case is considered approved when the first payment is made.
 - 1. If verification to determine K-TAP eligibility does not exist in an active KAMES case and is not presented by the applicant at the time of the interview, manually complete and issue form PAFS-2, Application Letter or Notice of Expiration, for the needed information. Allow 10 days to return the verification.
 - 2. Complete the Family Alternatives Disposition section of form FA-2.

- a. Determine the benefit group's countable gross income using the best estimate of income for the application month. Countable gross income includes the earned and unearned income of the benefit group.
- b. Compare the total countable earned and unearned income to the maximum gross income scale for K-TAP for the appropriate household size.
- c. If the benefit group's income exceeds the maximum income scale, deny the FAD application. Update the Family Alternatives Disposition section of form FA-2 and manually send form PA-105, Notice of Ineligibility. A denial is not entered on the FAD system. The system is only used to issue payments for families eligible for FAD. Ensure that eligibility for Medicaid and Food Benefits is explored and refer to any outside agencies that may provide services.
- d. If the benefit group's total gross income is at or below the income scale, the group is FAD eligible. Ensure that eligibility for Medicaid and Food Benefits is explored.
- e. Discuss with the applicant the availability of child support/medical support services through the Child Support Program and refer to the Child Support Enforcement or contracting official, as appropriate.
- f. Make referrals to the Child Care Assistance Program (CCAP) if necessary using form DCC-86, Referral for Low Income Child Care Assistance.

MS 2206*

FAD PAYMENT NEED TYPES

The following is a list of all FAD payment need types:

A. 01 – Utilities.

1. Utilities that cover basic needs are paid to the vendor and do not require a social security number (SSN) or Tax Identification Number (TIN).
2. Cable and satellite TV are not classified as basic needs.
3. Only the base rate is paid for a phone. If the individual does not have a home phone, the base rate for a cell phone service may be paid.

B. 02 – Rent.

1. Rent payments are made to the vendor only.
2. The SSN or TIN for the individual responsible for claiming the payment as income for tax purposes must be provided and entered.

C. 06 – Mortgage.

1. Mortgage payments may be made for property used as a primary residence.
2. Mortgage payments are to be made to the vendor whenever possible. If necessary, mortgage payments may be issued as a two-party payment to the FAD eligible individual and mortgage company. Document thoroughly the need for the two-party payment. Ensure the mortgage account number is listed on the check.

D. 07 – Insurance.

1. Insurance premiums for a primary residence or automobile may be paid using FAD funds.
2. Premiums for liability insurance to maintain a profession or business may also be paid using FAD funds.
3. When possible, FAD payments issued for insurance premiums are to be made directly to the vendor. In some instances, it may be necessary to issue a two-party check to the vendor and the client so funds can be properly credited. Document thoroughly the need for payment of the expense and reason for a two-party payment. Insurance payments do NOT require a SSN or TIN.

E. 03 – Car Repair.

1. Car repair payments are made to the vendor only.
2. The SSN or TIN for the business or individual providing the service must be provided and entered.
3. Payments for car repairs may be made only to reputable vendors or vocational schools. Do not use FAD funds to pay a private individual for car repair services. New or used automotive parts may be purchased with FAD funds if a private individual is doing the repair, but we cannot

pay for labor costs in this instance. See payment need type 99 – Other.

F. 08 – Car Purchase/Payments.

1. In certain instances, it may be deemed appropriate to authorize FAD funds for the purchase of an automobile or issue loan payments for a vehicle currently owned by a FAD-eligible individual. Document the need in comments.
2. When possible, payments of this nature are to be made directly to the vendor. In some instances, it may be necessary to issue a two-party check to the vendor and client. Document the need for any two-party payments.

G. 04 – Child Care.

1. Child care payments can be made for unsubsidized child care only.
2. CCAP child care co-payments cannot be paid with FAD.
3. Child care payments are made to the vendor or individual providing the service.
4. The SSN or TIN of the provider is required to issue the payment.

H. 05 – Relocation Expenses.

1. Deposits for utilities are paid to the vendor and do not require a SSN or TIN.
2. Deposits for rent are paid to the vendor and do not require a SSN or TIN.
3. Moving expenses may be paid for renting a truck or providing for expenses expected to be incurred by an individual who has agreed to help a FAD recipient move. Make payments directly to the vendor/individual helping the recipient. Do not issue a payment directly to a client. A two-party payment may be issued if necessary.
4. If the client is using a moving company or individual who is also charging for labor, use need type 98, Other Services. See item J.

All moving expenses are to be verified by written estimates or statements. Document thoroughly the need for relocation and all expenses paid using this code.

I. 09 – Taxes/Licenses.

1. Property taxes for homes and automobiles can be paid if the individual owns or is buying the property or vehicle for which FAD payments are issued. When paying property taxes for a home, the home must be the primary residence for the FAD-eligible individual.
2. License fees may be paid for a FAD-eligible individual needing a business license to obtain/maintain employment.
3. Driver's license fees may also be paid if obtaining a driver's license will increase the individual's likelihood of maintaining employment.
4. Issue payments directly to the vendor. In some instances, it may be necessary to issue a two-party check to the vendor and the client so funds can be properly credited. Document thoroughly the need for payment of the expense and reason for a two-party payment.

J. 98 – Other Services.

1. This payment need type is to be used for payment of any other service-related need that may be identified for a particular client and should be rarely used. Examples of an appropriate use of this payment might include repair costs to a home (furnace repair or replacement, plumbing, roof) incurred unexpectedly or payments that would include labor costs for moving. Document thoroughly the need for payments issued utilizing this code.
2. All payments are to be paid directly to the vendor who must provide his/her SSN or TIN. If the SSN or TIN is not provided, payment is not made.

K. 99 – Other Goods.

1. Use only for items not covered by other codes.
2. Use is not appropriate for service-related payments. Use only when the payment is intended to cover the cost of goods.
3. Examples of an appropriate use of this payment need type might include:
 - a. Purchase of new or used auto parts (do not include cost of labor);
 - b. Materials and supplies purchased for home repair by an individual;
 - c. Household furnishings in the event of a catastrophe;
 - d. Uniforms, including shoes;
 - e. Criminal records checks; or
 - f. Drug testing fees.
4. There may be other items identified for which this payment need type would be used. A decision regarding the appropriateness of each payment is to be made on a case-by-case situation. Document thoroughly the specific need for any payment issued using need type 99.

MS 2209*

FAD PAYMENTS

Access the FAD System by selecting Option V, FAD Interface/Link, off the KAMES Main Menu. Enter only the K-TAP eligible individuals on the FAD system. The exception to this is SSI parents or children who would be eligible if not receiving SSI are entered as household members. If the FAD benefit group does not contain an individual with earned income or who will have earned income during the three month eligibility period, approval of FAD is NOT appropriate.

- A. The verified short-term needs may include:
 - 1. Transportation expenses. If an eligible FAD parent uses a vehicle belonging to a member of their household to go to work, but not their own vehicle, car repair expenses are allowable;
 - 2. Unsubsidized child care expenses;
 - 3. Shelter and/or utility costs including deposits and relocation expenses; or
 - 4. Employment related expenses.
- B. FAD cannot pay:
 - 1. Medical expenses or services;
 - 2. Cable TV or satellite bills;
 - 3. Telephone expenses in excess of basic service;
 - 4. Reimbursement to an individual who has made payments on the FAD family's behalf.
- C. Total payments will be the amounts necessary to resolve the short-term needs of the household during a 3-consecutive month period, not to exceed \$1,300 regardless of family size. The 3 consecutive months begin with the month the first payment is made.

The date the first payment is entered on the FAD system and begins the 24-month count for FAD ineligibility. No data is entered on the FAD system until the first payment is made.
- D. Issue FAD payments:
 - 1. Using one of two payment type codes:
 - a. 2 – Two-party check to vendor and client; or

b. 3 – Paid to vendor only.

2. Issue payments directly to the vendor when possible. If a situation arises in which a direct vendor payment creates a problem with crediting the client's account, issue a two-party payment. Document the FAD comments with the reason a two-party payment was made.
3. Under no circumstances are payments made to the client. System edits are added that prevent entry of a client's SSN in the Federal Tax ID or SSN field on a payment that requires a SSN or TIN. The error message "Vendor tax id or ssn cannot be case member ssn" displays if a client's SSN is entered in the field.
4. Utilize form FA-4, Family Alternatives Diversion (FAD) Request for Provider Information, to verify the correct vendor SSN or TIN.
5. Do NOT enter data in the Federal Tax ID or SSN field unless it is required for that payment type.

E. Payment authorization.

1. All payments pend for supervisory approval on the system.
2. Payments pending supervisory approval are posted to a new Daily Case Status Report (DCSR) screen or can be viewed by selecting "Option 9 – Pending FAD payments" on the KAMES DCSR Menu, screen HRKIMU57.
3. Payments remain on this screen until approved or denied.
4. Individuals designated as a supervisor or principal for FAD security access must authorize the payment from "Option I-Approve Payments". Only these individuals have access to this screen. If users attempt to access a segment for which they are not authorized, an error message "User not authorized for this function" displays. If this message displays in error, contact KAMES Security at (502) 573-5831, Option 2.
5. The FAD Payment Approval Screen, HRFADI1, contains information regarding the worker identification code, payment type, payment reason, recipient name and address, payment date and agency contact.
6. The FAD system runs a check against agency contacts entered on KAMES within the last 30 days to determine the agency contact status.
7. If the system indicates a "N" in the agency contact field on the pending FAD payment segment, the supervisor/principal must document the reason for lack of agency contact and how he/she determined the application was valid.
8. The FAD payment screen contains an "Approve/Deny payment" field. Valid entries for this field are "A" for approve and "D" for deny. The field may also be left blank, which would leave that payment segment pending.

9. Supervisors/Principals are to review information in the FAD case record to ensure that each payment is a FAD appropriate expense and is being issued in the proper manner.
 10. Each FAD payment screen contains information on three FAD payments. If an individual case has more than three payments pending, the supervisor/principal can access those payments via the use of the F8 key. The system will then navigate to the next page of pending payments for that case.
 11. The F7 key allows navigation back to previous payment screens, if needed.
 12. Once all payments have been approved, denied or left pending, enter is pressed to process the payments.
 13. FAD comments are updated by the supervisor/principal signing off on the payment to indicate approval/denial/pending status for each payment. If denied or pending, indicate the reason.
- F. Three reports with information on FAD payments are available on the Report Distribution System (RDS) and DocumentDirect.
1. HRFAD12 – Monthly Report – FAD Payments Issued by County and Approver ID;
 2. HRFAD13 – Weekly Report – FAD Payments Made and Issued By the Same Person; and
 3. HRFAD14 – Weekly Report – FAD Payments Pending for More Than 10 Days.
- G. Notification of FAD actions:
1. A system-generated notice is issued nightly to advise the FAD recipient when a payment is authorized on their behalf.
 2. If it is determined the household is ineligible for a FAD payment, send form PA-105, Notice of Eligibility or Ineligibility, to notify the individual of the denial of assistance and to inform the individual of his/her hearing rights.
- H. If a family moves from one county to another, the FAD case is transferred to the new county of residence. The new county issues any subsequent payments.

MS 2210

ELIGIBLE INDIVIDUALS

Policy Clarification

- A. Eligible child. A child may be eligible for K-TAP if all eligibility requirements are met. The child must be living with:
1. One parent, when the other parent is dead or absent;
 2. Both parents and either parent is incapacitated;
 3. Both parents and either parent meets the definition of unemployment.
 4. A parent and stepparent, when deprived of support due to absence of the natural or adoptive parent; or
 5. Another specified relative, when deprived of parental support due to death, absence or incapacity of either or both parents.

- B. Eligible parent. A parent is included in the case as the specified relative if all technical requirements are met.

[If both parents are in the home and one parent is incapacitated or unemployed, both parents MUST be included in the case, if they are married or relationship has been adjudicated or administratively established unless the parent is technically excluded. Refer to [MS 2215](#).]

- C. Nonresponsible relative. A specified relative other than the natural or adoptive parent may be included in the case if all eligibility requirements are met and a parent is not in the home. If the parent, other than a minor, is in the home and technically eligible, the nonresponsible specified relative is not included in the case but may be payee for that case. If the parent is technically excluded and is unable to care for the child, the nonresponsible relative may be included in the case.

EXAMPLE: The parent receives SSI and lives with the child and grandmother. The SSI parent is unable to care for the child. Grandmother may receive K-TAP on the case with the child. The decision to include the nonresponsible specified relative is made on a case-by-case basis. Use a collateral contact to verify the situation.

"Living in the home" does not preclude inclusion in the grant if the parent is absent for up to 12 months to secure medical care in a hospital or nursing facility and there is reasonable expectation that the parent will return to the home.

MS 2215

TECHNICALLY EXCLUDED INDIVIDUALS

[See Policy Clarification](#)

[See OM Upd. No. 05-10, MS 99694, 2/7/05](#)

The following are technically excluded individuals and, as such, are not eligible to be included in the K-TAP case:

- A. SSI and/or State Supplementation recipients;
- B. A child, 18 years of age unless in full-time attendance in high school or equivalent level of vocational or technical school;
- C. A child who does not meet the technical requirement of deprivation;
- D. A nonresponsible specified relative when the individual does not want to be included on the K-TAP case;
- E. Stepparent, if a technically eligible parent is in the home and there is no child in common in the home;
- F. A spouse of a dependent child if the spouse and dependent child do not have a child in common;
- G. Aliens ineligible due to:
 - 1. Not meeting qualified alien requirements; or
 - 2. The five-year ban from receipt of K-TAP.
- H. Any unrelated adults or children;
- I. A child who receives Kinship Care is technically excluded from K-TAP.
- J. A child who receives Foster Care payments. A child can continue to receive Foster Care past age 18 up to age 22 due to participation in an educational program. Consider this individual as technically excluded from K-TAP;
- K. [A child of a minor parent, when the child resides with the minor parent who receives Foster Care or Kinship Care payments];
- L. Subsidized adoption child is to be technically excluded, if it is to the benefit of the household. See [MS 2302](#);
- M. A fugitive felon for as long as the felon is fleeing or considered a fugitive. Once the felon is no longer fleeing or considered a fugitive, he/she may receive K-TAP if otherwise eligible;
- N. A probation and parole violator for as long as the person is considered a violator. Once the person is no longer in violation of his/her probation or parole, the person may receive K-TAP if otherwise eligible;

- O. An individual with a drug felony conviction, including out of state convictions, and that felony was committed subsequent to August 22, 1996, unless the drug felon:
 - 1. Is assessed as chemically dependent and is participating in or has successfully completed a recognized chemical dependency treatment program. The individual must have committed and been convicted of a drug felony after 8/22/96 and must have entered into or completed a chemical dependency program after 8/22/96. The individual may meet this requirement by participating in or completing any recognized chemical dependency program;
 - 2. Is pregnant. The individual is eligible for benefits during the pregnancy only; and
 - 3. Is otherwise eligible for benefits; or
- P. An individual convicted in a Federal or State court for having made a fraudulent statement or representation regarding residency in order to receive assistance from two or more states during the same time period is excluded from a K-TAP case for 10 years. This applies to convicted individuals who made the fraudulent statement or representation regarding residency after 8/22/96 in order to receive assistance funded under Title IV-A (AFDC and TANF), Title XIX (Medicaid), the Food Stamp Act of 1997, or the Supplemental Security Income (SSI) program under Title XVI.

MS 2220

SANCTIONED INDIVIDUALS

See Errata to: OM Upd. 03-16, [MS 99621](#), 4/1/03.

The following individuals refuse to meet eligibility criteria and, as such, are not eligible to be included in the K-TAP case:

- A. Any person who refuses to be enumerated.
 - 1. If enumeration cannot be done due to a refusal, the person for whom the enumeration is refused is not included on the K-TAP case. In the case of a child, if the specified relative refuses to enumerate the child:
 - a. Only the child is excluded from the case; or
 - b. If the unenumerated child is the only eligible child in the home, deny/discontinue the case.
 - 2. If a numident/SVES match was completed previously as indicated by "SA" on KAMES, accept this as verification of the individual's SSN and document in the case record.
- B. A child 16 up to 18 years of age NOT meeting the school attendance requirement.

[At the point the individual becomes 18 years of age, the sanction is cured. The sanction is cured for the minor parent at the 18th birthday. The minor parent is then referred for KWP activities.]

The income and resources of a sanctioned individual ARE considered in determining the eligibility of persons included in the K-TAP case. Earned income deductions may be allowed for sanctioned individuals, when appropriate. DO NOT consider the individual in the K-TAP family size.

An individual sanctioned from K-TAP for any reason, may receive Medicaid if appropriate MA technical and financial eligibility requirements are met. Refer to Vol. IV for applicable MA policy.

MS 2225

PENALIZED INDIVIDUALS

See: OM Pol. Upd. 03-16, [MS 99621](#), 4/1/03".

See: "Errata to Om Pol. Upd. No. 03-16, [MS 99621](#), 4/1/03."

Penalized individuals have a prorata reduction in K-TAP benefits to the household or a 25% reduction in K-TAP benefits to the household. KAMES applies the prorata reduction and the 25% reduction in benefits to the household. [Both a prorata and 25% penalty can be applied at the same time.]

- A. An individual refusing to participate satisfactorily without good cause in a KWP activity may result in a prorata reduction of K-TAP benefits.
- B. An 18 or 19 year teen parent refusing to attend school or participate in a KWP activity is subject to a prorata penalty.
- C. An individual refusing to cooperate with DCS without good cause results in a 25% reduction of K-TAP benefits to the household.

MS 2230

STANDARD FILING UNIT (SFU)

[Policy Clarification](#)

- A. [Include a parent and all children of that parent in the same K-TAP case, if technically eligible and living together. Additionally, if a parent is not in the home, include ALL siblings of a K-TAP child in the SAME K-TAP case. DO NOT EXCLUDE a sibling or the parent of a K-TAP child from the K-TAP case if TECHNICAL REQUIREMENTS ARE MET, REGARDLESS OF FINANCIAL ELIGIBILITY, and the individual is living in the same household as the K-TAP child.]
- B. Children living together may have separate applications when there is no common parent.
- C. If separate applications are signed by the same relative, he/she may be payee for each assistance group, but included as the specified relative in only one case.
- D. [Verify relationship and household composition to determine if all the individuals required to be on the K-TAP case are included.] Some sources of verification for household composition may be a landlord letter, collateral contacts, etc. For sources of verification of relationship, refer to [MS 2329](#).
- E. [If the parent refuses to add an eligible child to the K-TAP case, the entire case is ineligible to receive benefits; deny or discontinue the case, as appropriate.] A case remains eligible during the month a child is born if the new child's income does not cause ineligibility. If, due to the refusal of the parent, a supplemental request is not made for the new child by the last day of the month following the birth month, the case is technically ineligible beginning with the 1st day of the month following the child's birth. Regardless of the supplemental request date, income of the child is considered beginning with the month of birth.

MS 2240

TWO-PARENT FAMILY

Policy Clarification

[The following are situations involving a two-parent family which qualifies for K-TAP based on incapacity or unemployment. If the family consists of a parent (SR) and a stepparent with no child in common for K-TAP eligibility, incapacity or unemployment does NOT exist. Determine K-TAP eligibility of the parent and child based on the appropriate deprivation. Refer to [Volume IV, MS 1280](#) and [MS 2430](#) if either the SR or stepparent is incapacitated to pursue Family MA eligibility for the stepparent.]

A. If both parents are in the home but not married, and one parent meets the Federal definition of unemployment or is incapacitated and not receiving SSI, both parents MUST be included in the case if paternity has been adjudicated, administratively established or established through a legal marriage. Verification of paternity or marriage must be obtained prior to including both parents in the case.

1. One or both parents may not be included in the assistance plan if technical eligibility requirements are not met.

EXAMPLE: One or both parents may be serving a sanction or one parent may be an ineligible alien.

2. If the parent/specified relative refuses or fails to provide required information other than enumeration to determine eligibility, the entire case is ineligible. Deny or discontinue, as appropriate. For refusal to enumerate, refer to [MS 2220](#).
3. The incapacitated parent, unless receiving SSI or State Supplementation, MUST be included in the assistance plan. Prior to inclusion, obtain verification of marriage to the other parent living in the home and included in the case or verification of the establishment of paternity. The incapacitated parent may be either the SR or the SP.
4. [The K-TAP UP qualifying parent MUST be included in the assistance plan as either the SR or the SP, with one exception.]

If the qualifying parent is the SR on a case in which the only child in common in the household receives SSI or State Supplementation, the SSI child's siblings along with the other parent are eligible in another category and are included in a separate case.

EXAMPLE: [Bob is the qualifying parent in a K-TAP UP case which consists of Lois, the nonqualifying parent, her child, Ann, and their child Roy.] Roy is approved for SSI.

Lois and Ann are eligible in the "C" category. Bob continues to receive in the "W" category.

5. [If the K-TAP UP case consists of a mother, her child, a father and a child in common, all the members must be included on the case until technical eligibility no longer exists.

EXAMPLE: George is qualifying parent in a K-TAP UP case consisting of Jane, a mother, her two children and their child.] George became employed for 35 hours per week. Since he no longer meets the definition of unemployment, he and their child are removed from the case. [Jane and her two children may continue to receive K-TAP in the "C" category.]

- B. If the parent and stepparent have a child in common and deprivation of incapacity or unemployment exists, establish 1 case which includes the parent, stepparent, and all children.
- C. If the mother and father, where paternity is determined by the court or is administratively established, have a child in common and one parent is an SSI recipient, establish one case which includes the non-SSI parent, the child in common and all siblings.
- D. [If the only technically eligible dependent child living with the family begins to receive SSI or State Supplementation, the SR and SP are eligible if all other technical and financial factors are met. The K-TAP case may have the SR and SP as the only members. If the only eligible dependent is sanctioned for choosing not to attend school, the entire K-TAP case is ineligible. The same is true for the only eligible unenumerated child.]
- E. [If the only common child included in the K-TAP case with all the siblings and the SR and SP begins to receive SSI or State Supplementation, the K-TAP case would be separated.

EXAMPLE: A K-TAP case consists of mother, her child, father, his child and their child.] Their child is the common child who requires all the members be on one case. Their child begins to receive SSI; therefore, the child is no longer technically eligible. [The K-TAP case is separated into one case for the mother and her child and one case for the father and his child.

- F. The "W" case consists of the qualifying parent, the nonqualifying parent, the child of the qualifying parent and a common child with paternity established.] The common child begins to receive SSI or State Supplementation and is removed from the case. In this situation, the case would remain a "W" case even though the qualifying parent and his/her child are eligible in the "C" category. The nonqualifying parent does not qualify in another category of assistance because the common child's deprivation factor was based on

unemployment. The qualifying parent's child's deprivation factor is absence, not unemployment.

EXAMPLE: A case consists of a qualifying parent and a nonqualifying parent, who are not married to each other. Paternity is established administratively or adjudicated for the only common child in the case. The qualifying parent has children from a previous marriage, unrelated to the nonqualifying parent. The only common child in the case begins to receive SSI. Even though the qualifying parent and his/her children are eligible in the "C" category, the nonqualifying parent is eligible in the "W" category only, as the SSI child was technically eligible in the "W" category only. The nonqualifying parent CANNOT be the only member on a "W" case, if the qualifying parent is technically eligible to be included. In this situation, the case would remain a "W" and would include the qualifying parent, nonqualifying parent and the qualifying parent's children. The case is not separated.

In this situation, the children included in the "W" case do NOT have a deprivation of unemployment. No child on the case is coded with a deprivation of unemployment.

MS 2250

FAMILY WITH MINOR PARENT

[See Policy Clarification](#)

The following situations involve a family which includes a minor parent.

- A. If a minor parent lives with a parent/nonresponsible relative who is applying for or receiving K-TAP for siblings of this minor parent, establish one case which includes:
 - 1. The parent/nonresponsible relative, if appropriate, as the SR;
 - 2. All siblings, including the minor parent; and
 - 3. The child of the minor parent if the minor parent chooses to apply for the child.
- B. If the minor parent is included in the case as a child, the minor parent has the option of not applying for assistance for his/her child. [If the parent of a minor parent has not applied for assistance or is not receiving assistance, the minor parent can receive K-TAP for himself/herself and the child. In this instance, the major parent is coded R42, the minor parent is coded as M03 and the minor parent's child is coded as M05.]
- C. If after approval, the minor parent leaves the household, the parent/nonresponsible relative may receive for him/herself, siblings of the minor parent and the minor parent's child in one case or the minor parent's child may receive in a separate case with the nonresponsible relative as payee.

MS 2260

MARRIED DEPENDENT CHILDREN

- A. A dependent child, who is or has been married, living in his/her parent's or nonresponsible relative's home, may be the only eligible child in the K-TAP case. If the child's spouse lives in the home, consider the spouse's income like stepparent income for calculation purposes.

A referral to DCS is inappropriate for married dependent children unless the married dependent child is divorced prior to age 18.

- B. If a dependent child, who is or has been married, lives in his/her parent's or nonresponsible relative's home and the parent or nonresponsible relative receives K-TAP for siblings, the married dependent child must be included in the K-TAP case if technically eligible.
- C. If a dependent child, her spouse, and their child lives in his/her parent's or nonresponsible relative's home and the parent or nonresponsible relative receives K-TAP for siblings, the dependent child, spouse and their child must be included in the parent's K-TAP case if technically eligible under either the incapacity or unemployment category and assistance is requested for the spouse and their child. For the unemployment category, the program code would NOT change to "W". [In this situation, the major parent would be coded as M03, the minor parent would be coded as M07, the spouse of the minor parent would be coded as M12, and the child of the minor parent would be coded as M11.]

EXAMPLE: A married dependent child is included on her mother's K-TAP case with a brother. Her spouse and baby live with her. The spouse becomes unemployed and wants to apply for K-TAP for himself and the child. He and the child are technically eligible and are added to the mother's case.

- D. If the married dependent child had no siblings in the household, the minor parent's spouse and child could be added to the mother's case or the minor parent, minor parent's spouse and child could have their own case if deprivation for the minor's spouse and child exists. This is a family decision.

MS 2270

ADOPTED CHILD

- A. To determine if a subsidized adoption child is to be included in the application, see [MS 2302](#).
- B. If an adoptive child returns to the home of his/her biological parent, the biological parent has the following options:
 - 1. [Exclude the child from his/her K-TAP case on the basis that he/she DOES NOT have legal responsibility for the child] or
 - 2. Apply for benefits for the adopted child based on the biological relationship to the child as his/her parent. [If the biological mother already has an existing K-TAP case, add the adopted child to the existing case.

If one biological parent assumes legal responsibility for his/her adoptive child, a referral to DCS is inappropriate on the absent biological parent.] In this instance, a referral on the adoptive parent may be appropriate, depending on the reason for absence of the adoptive parent.
- C. [If the adopted child is in the home with both his/her adopted parent and the biological parent, the child must be included with the adopted parents in determining K-TAP eligibility.] The biological parent cannot receive for the child in this situation.

MS 2280

FOSTER CARE CHILD

- A. [When the worker is advised by Protection and Permanency staff that a foster care child is moving to the home of a relative meeting the definition of a specified relative, the Protection and Permanency worker makes arrangements for the relative to apply for the child. Accept an application or supplemental request by the relative, but do not approve the K-TAP case prior to the actual date the child begins living in the home.

EXAMPLE: A child is in a foster care home until November 18. A K-TAP application is made for the child on November 17 based on the child being returned to the parent's home. Protection and Permanency staff verified that foster care benefits were paid from November 1 through November 18 when they were discontinued. The approval date for the K-TAP case would be November 19.

- B. If the only dependent child, who is living with a relative, receives Federal, State or local foster care benefits, the relative may be eligible to receive K-TAP if he or she meets the definition of a specified relative.]

MS 2300

INTRODUCTION TO TECHNICAL ELIGIBILITY
REQUIREMENTS

- A. In order for a CHILD to be technically eligible for K-TAP, the child must be:
1. Age 18 or under;
 2. In compliance with school attendance requirements if the child is age 16 to 19 or a minor teen parent under age 18.
 3. A Kentucky resident;
 4. Living with a specified relative. EXCEPTION: If the child, who receives K-TAP, is required to be in an LTC facility for up to one year, the child meets the "living with" requirement;
 5. Deprived of parental support due to death, continued absence, incapacity of a parent or unemployment of a parent;
 6. Complying with citizenship and alien requirements. The individual must be a U.S. citizen or eligible alien. Refer to Volume I, chapter Aliens, for specific information regarding alien status. A declaration of citizenship must be completed; and
 7. Complying with enumeration requirements.
- B. In order for an ADULT to be technically eligible for K-TAP, the adult must:
1. Have an eligible child in the home or a child in receipt of SSI, State Supplementation, or Federal, State or local Foster Care benefits who would otherwise be eligible for K-TAP. A child is not eligible if he/she received K-TAP benefits in another K-TAP case for the month of application. If the adult, who is receiving K-TAP, is required to be in an LTC facility for up to one year, the adult meets the "living with" requirement;
 2. Meet the definition of specified relative or second parent;
 3. Comply with citizenship and alien requirements. The individual must be a U.S. citizen or qualified alien. [Refer to [Volume I, MS 2000](#).] A declaration of citizenship must be completed; and
 4. Comply with enumeration requirements.

Technical eligibility is determined prospectively for all cases.

MS 2302

SUBSIDIZED ADOPTION CHILDREN

[The subsidized adoption child is excluded from the K-TAP case if, by excluding the child, the benefits to the household would be greater. However, if by including the child and the child's income, including the adoption assistance payment, the benefits to the household are greater, the child is added to the K-TAP case.] The subsidized adoption child's resources are also considered when determining greater benefit to the household.

- A. At application, reapplication or recertification, two budgets are to be completed. When entering the subsidized adoption child's adoption assistance payment on the PA-30.1 system, utilize the unearned income code 88.
 - 1. Compute the first budget including the subsidized adoption child as a member. Consider the child's income, including the adoption assistance payment.
 - 2. Compute a second budget excluding the subsidized adoption child and the child's income, including the adoption assistance payment.
 - 3. Compare the resulting grant amounts and determine which budget calculation is of greater benefit to the household and proceed with the case action.
- B. [If it would benefit the household to include the subsidized adoption child, and the child has an active "S" case with Protection and Permanency, utilize the following procedures.
 - 1. Contact the local Protection and Permanency staff and provide:]
 - a. Case name and case number;
 - b. Subsidized child's name and social security number; and
 - c. [Effective date the subsidized child will be added to the K-TAP case.
 - 2. The local Protection and Permanency staff will discontinue the subsidized adoption child's MA "S" case within 7 days and notify family support staff when the action is completed. The subsidized adoption payment will continue.
 - 3. The subsidized adoption child can be added to the K-TAP case.]
- C. If it would benefit the household to include the subsidized adoption child, and the child has an active "P" case, utilize the following procedures.
 - 1. Discontinue the "P" case.
 - 2. [Add the subsidized adoption child to the K-TAP grant.
 - 3. Contact the local Protection and Permanency staff, providing:]

- a. Case name and case number;
- b. Subsidized child's name and social security number; and
- c. [Effective date the subsidized child was added to the K-TAP case.]

MS 2304

STRIKERS

[PARTICIPANTS IN A STRIKE ARE NOT ELIGIBLE TO RECEIVE K-TAP.]

- A. For purposes of the K-TAP program, a strike is defined as any work stoppage by employees, including a stoppage due to the expiration of a collective bargaining agreement, and any concerted slowdown or interruption of operations by employees.]
- B. Participation in a strike is defined as the act of engaging in a concerted work stoppage or slowdown, and/or interruption of work operations.
 - 1. This definition includes persons not working as a result of honoring or refusing to cross picket lines set up by those on strike.
 - 2. This definition DOES NOT include persons:
 - a. Who are not part of the bargaining unit on strike who do not want to cross a picket line due to fear of personal injury or death;
 - b. Whose work place is closed by an employer in order to resist demands of employees, e.g., a lockout; or
 - c. Not working due to lack of work resulting from a strike situation; such as truck drivers who are not working because striking newspaper pressmen prevent newspapers from being printed or if employed in a managerial or supervisory position by the firm/organization whose workers are on strike.
- C. [If a responsible specified relative or second parent in a K-TAP case is participating in a strike as of the last day of a month, enter the strike information on KAMES. This will discontinue the K-TAP case. KAMES sends the appropriate notice. If the strike is not resolved within the 10-day advance notice period, allow the case to discontinue. If the case includes an individual eligible for the "I" category, KAMES establishes continued eligibility for the individual in the "I" category through alternate programming.]
- D. If a specified relative or second parent is participating in a strike at the time of an application for K-TAP, the application is denied on the last day of the month.] If the application includes an individual eligible for the "I" category, approve the individual in the "I" category.
- E. [If a nonresponsible specified relative is included in the K-TAP case and is participating in a strike, the needs of that person are not included in the K-TAP case. If the individual is participating in a strike as of the last day of the month, update the member general information screen to remove the needs of that individual from the K-TAP case.] Explore eligibility in the "I" category for the nonresponsible specified relative.
- F. [If a nonrelative who is acting as payee for an K-TAP case is participating in a strike, eligibility of the case is not affected.]

MS 2306

CATEGORICAL LIMITATIONS

- A. NO RECIPIENT MAY CONCURRENTLY RECEIVE MORE THAN ONE CATEGORY OF ASSISTANCE. Categories of assistance are:
 - 1. K-TAP (program codes "C" and "W");
 - 2. MA Only, or MA Only and State Supplementation; and
 - 3. SSI.
- B. An individual eligible under more than one category is given the option of the program for which he/she desires to apply, to the extent permitted by the K-TAP standard filing unit rules.
- C. An SSI recipient may be payee in an K-TAP case but is not considered as a member of the assistance group, nor is any of his/her income considered as available to the assistance group.
- D. An SSI essential person is not SSI eligible in their own right. Therefore, if technically eligible, the SSI essential person is required to be included in any K-TAP assistance group for which an application is made. Income and resources of an SSI essential person are considered available to the assistance group. Do not consider the essential person's portion of SSI in the K-TAP case. To avoid an SSI overpayment, notify the Social Security Office when an SSI essential person is approved for K-TAP.
- E. [As it is usually to the advantage of an otherwise eligible individual to receive SSI instead of K-TAP, refer potentially eligible individuals, including children with physical or mental disabilities, to SSA by form PAFS-5.1, unless the individual does not choose to apply.] If the individual does not choose to apply, document the case record as to the individual's decision.
- F. If referral is made by form PAFS-5.1, the amount of payment and number of individuals in the assistance plan is entered on the form. If application is made directly to SSA, the grant information is furnished upon request.
- G. [When a K-TAP recipient is approved for SSI, SSA contacts the appropriate local office to determine:
 - 1. The date the client will no longer receive a K-TAP grant; and
 - 2. The amount of the K-TAP grant paid for each month the individual is eligible for SSI.]

In addition, SSA forwards form SSA-1610-U2 to request written verification. When the form is received, verify the monthly benefit amount for the individual. [This may be the individual share, if there is more than one person or the entire grant amount, depending on the K-TAP case circumstance. Complete "Type of Benefit," "Amount of

Benefit," "Effective Date" (if appropriate), and in "Other," enter the effective date of discontinuance of K-TAP for this individual.]

MS 2310

AGE

- A. TO BE ELIGIBLE A CHILD MUST BE:
1. Age 17 or under;
 2. Attending school, if 16 or 17;
 3. Under 18 and graduated from high school or equivalent level of education; or
 4. [Age 18, up to age 19, if the child meets school attendance requirements. Refer to [MS 2316](#).]
- B. If the child is hospitalized in an acute care hospital as of the date the child becomes age ineligible for K-TAP, the child may continue to receive MA coverage for the duration of hospitalization if certain criteria are met. Refer to [Volume IV, MS 2880](#) for instructions on processing.
- C. VERIFY the date of birth of each child for whom application is made. Verification is required at the time of recertification for any case in which the birthdate of a child has not previously been verified.

MS 2312

VERIFICATION OF AGE

- A. ACCEPTABLE PRIMARY PROOFS OF AGE which must be viewed and described in the case record are:
 - 1. State authorized/numbered birth certificate (including delayed registration at least one year old);
 - 2. [Verification of birth registrations through IMS Program E7, Birth Certificate Inquiry (Birth Index File);]
 - 3. Hospital record (containing the child's name, date of birth, parents' names, hospital name and address and official signature of hospital personnel);
 - 4. Baptismal record;
 - 5. Statement from attending physician/midwife;
 - 6. Adoption record; or
 - 7. INS records (e.g., passport, immigration papers which includes child's name and birthdate).
- B. If efforts to secure primary verification have been futile and secondary verification must be used, use a combination of any 2 or more secondary records with an explanation of efforts to obtain primary verification entered in the case record.
- C. The following secondary proofs, if at least 5 years old, may be used for children 6 through 18 years of age if a primary source listed cannot be obtained:
 - 1. School record;
 - 2. Insurance policy;
 - 3. Medical records, including immunization record;
 - 4. Driver's license; or
 - 5. Family Bible.
- D. Use form VS-26, Request for Verification of Birth/Death, if other adequate proofs are not available. [Assist the individual in obtaining birth verification.]

MS 2314

LACK OF BIRTH VERIFICATION

If the individual REFUSES to cooperate or provide verification, DENY the application. An application is NOT DENIED because the standard of promptness is expiring if the individual is cooperating in the attempt to secure birth verification.

- A. If the birth verification is in-state, the K-TAP application remains pending until the birth verification is received. Assist the individual in obtaining in-state birth verification.
 - 1. [If none of the children included on the application have birth verification, approve the K-TAP case retroactive to the application date once verification is received.
 - 2. If acceptable birth verification is available for some, but not all, members and the length of time involved and the need factor warrant it, approve the application for those members for whom verification is available. Do not approve K-TAP eligibility for the individual without birth verification; however, approve as MA only if all other requirements for MA are met. Add members to the K-TAP case as acceptable birth verification is obtained. Payment is retroactive to the day of application. Prorate the difference between the initial payment and the ongoing payment. A payment is authorized as a supplemental.]
- B. If the birth verification for a child must be obtained from out-of-state, make every effort to assist the individual in obtaining the verification. Such assistance includes contacting the other state's birth records office or helping the individual to submit a written request for a birth certificate from the other state.
 - 1. If all efforts have been made and the verification is not received prior to the standard of promptness expiring, make a presumptive eligibility determination and approve the case or add the member, as appropriate. Document in the case record the efforts made to secure the verification.
 - 2. Spot check the case for the second month after the approval. At that time, request the verification.
 - a. When the verification is received, place a copy of the verification in the case record and document appropriately.
 - b. If the verification is not yet available and the individual is cooperating, determine the reason for the delay. If necessary, assist the individual in resubmitting the request. Document the case record as to the delay and spot check for the subsequent month.

If at the next recertification or 6 months from the application for the child, whichever is later, verification has not been received and all sources of verification have been exhausted, remove the

child and his/her income and resources or discontinue the case, whichever is appropriate. Establish a claim for the months of presumed eligibility.

- c. If the response from the verification request is negative (e.g., no record found, etc.), remove the child and his/her income and resources from the case or discontinue the case, whichever is appropriate. Establish a claim for months of presumed eligibility.

MS 2316

SCHOOL ATTENDANCE REQUIREMENT

Policy Clarification

[To be technically eligible for K-TAP, children, including SSI children 16 to 19, and all teen parents under 18 must be in regular attendance in school. If the teen under age 18 is not in school, the teen is sanctioned except SSI teens who are already technically excluded.] The teen's needs are removed from the active K-TAP case or the teen is approved as an ineligible member in a K-TAP application. [If the teen, including an SSI teen, is not in school and there are no other eligible children in the household, K-TAP eligibility does not exist.] Teens ineligible for K-TAP due to failure to attend school remain eligible for MA. If a teen is removed from the K-TAP case, food stamp benefits will decrease. A spot check "16-18 No School, Enter 310" will post to the FS case. The FS worker will enter a 310 disqual for the teen.

- A. Regular attendance is enrollment and physical attendance in a program of study or training leading to a certificate, diploma or degree. High school is NOT required. A child under age 18 is required to attend school unless graduated from high school.
- B. An 18-year-old child may qualify for K-TAP only if in regular full-time school attendance in elementary, middle, junior and high school. Homebound instruction provided by the school system is considered regular attendance as well as full-time attendance in a GED program. Discontinue the child's assistance when an 18-year-old child graduates or reaches age 19, whichever comes first.
- C. If a child under 18 has completed high school the child is included in the grant until age 18. Verification of the high school diploma or equivalent is required.
- D. A child enrolled in the Job Corps Program is considered to meet school attendance requirements. Temporary absence from the home due to being in the Job Corps is considered in the same manner as temporary absence for attending school.
- E. A child is considered in regular school attendance during the months of:
 - 1. Official school or training vacation;
 - 2. Illness;
 - 3. Convalescence;
 - 4. Family emergency; or
 - 5. School suspension of a short duration unless an intention not to re-enter school/training has been indicated. This does not include expulsion from school.
- F. Allow parents the opportunity to enroll children in school. If a parent indicates a child is not currently in school but the child will now go to school, the parent must provide verification from the school that the

child will be or is enrolled. If the school will not allow school enrollment after school has started or mid year, a statement from the school must be provided indicating when the child will be allowed to enroll.

EXAMPLE: In October, a parent states her 16-year-old child is not in school. Policy is explained and the parent states she will enroll her child in school. The parent provides a statement from the school indicating the child cannot begin classes until January. The child is not removed from the K-TAP case in October. A spot check is entered to verify school attendance in January.

- G. Alternative types of school attendance may include:
1. Home schooling;
 2. Homebound instruction which is provided by the school system;
 3. Adult basic education classes; or
 4. A GED program. If a child under age 18 completes a GED program and is waiting to take the GED test, verification must be provided that the child is expected to pass the GED test. If verification is provided, the child under age 18 remains eligible for K-TAP while waiting to take the GED test. If the child is not expected to pass the GED test, he or she must begin classes again to remain eligible for K-TAP.

Correspondence courses are not acceptable as an alternative type of school.

- H. The physically disabled homebound student receiving instructions from a homebound teacher is considered in regular attendance, if criteria for regular attendance is met. Joint presence of teacher and student constitutes physical attendance.
- I. [The question "IS HE/SHE ATTENDING ELEM/MID/HIGH SCHOOL?" is a mandatory field for all SSI teens, "M" members of the K-TAP case, ages 16 to 19, and all teen parents.] This field is not required for "R" or "T" members.
1. If the question "IS HE/SHE ATTENDING ELEM/MID/HIGH SCHOOL?" is answered "Y", additional entries are required on the student information screen.
 - a. A new field, school number, must be entered. After the school number is entered the system will read a school file and upload the name and address of the school. The school number is a 9-digit number consisting of the 3-digit county number, the 3-digit district number and the 3-digit school number.
 - b. Use the Inquiry Menu screen to obtain the school number.
 - (1) Choose option N-School Listing.
 - (2) Enter the county number on this screen.

- (3) [Then this screen displays the county number, county name, school name, 9-digit school number, and school address.
 - (4) Workers cannot change anything on this screen.
 - c. If the child is in a home school situation or any other school not covered by the school file, the 9-digit school number is the county number, district number and 999. If the home school code (999) is used, the school name and address fields are unprotected and must be entered by the worker.
- 2. If the question "IS HE/SHE ATTENDING ELEM/MID/HIGH SCHOOL?" is answered "N" for any minor parent or teen 16 to 19 years old:
 - a. [An additional question "IF NO, HAS HE/SHE GRADUATED HIGH SCHOOL?" must be answered;
 - b. If the graduated question is answered "N", the system will apply a disqual and remove the child's needs from the K-TAP case unless the child is an SSI child.]
- 3. If a disqual is applied, a spot check "16-18 NO SCHOOL, ENTER FS 310" posts to the FS case.
- 4. [If there is no other eligible child in the household, the case would be denied or discontinued and would alternate program to determine MA eligibility.]
- 5. The 310 disqual is cured if the child leaves the home or the K-TAP case is discontinued because the only eligible child is not in school or the child becomes 18 and is not in school or reaches age 19. Set a spot check to remove the K-TAP disqual.

MS 2318

SCHOOL ATTENDANCE VERIFICATION

The School Attendance Report is used to verify school attendance for children age 16 through 18, up to age 19, and all teen parents. This report is a listing of children in school and is provided to each school in each county with a K-TAP child in attendance. The listing is provided to each local office with a student on the list. Use the duplicate listing to track the return of the report from the school.

- A. The report covers the previous quarter. Each school's listing will include the name of the school, the school address, the case name and number and the child's name, date of birth and social security number. The listing also identifies the worker's name, address, phone number and caseload code. Upon receipt of the listing the school will annotate the listing and return to the K-TAP local office within 10 days.
- B. On the school attendance report, the school staff will indicate a "Y" or "N" to "Attend Regulr". The school will provide a numeric entry for "Unexcused Absence" and "Tardiness". If the school indicates the student is attending regularly, no further action is required. However, if the school indicates the student is NOT attending regularly or problems are identified in the "Comment" section of the report, contact the child's parent.
 - 1. Advise the parent or teen parent of the necessity for the child/teen parent to remain in school.
 - 2. Inform the parent that the child/teen parent will be removed from the K-TAP case if he/she does not remain in school. To avoid a reduction of K-TAP benefits the parent is urged to encourage his/her child to attend school. If the child has NOT dropped out, no further action is required.
 - 3. If the parent indicates the child is no longer attending school, use the attending school question on KAMES to remove the child from the K-TAP case or discontinue the case, whichever is appropriate.
 - 4. Enter HSC (elementary or high school) on STEP and track those teen parents coded as M03. The months between the quarterly listing or quarterly use of form PA-33D, when appropriate, are automatically tracked on STEP monthly. The system tracks the teen parent as meeting attendance. If this is incorrect, the worker must indicate otherwise by answering the questions on KAMES.
- C. The school may retain a copy of the listing and use the listing to identify a K-TAP child at risk of dropping out of school. Upon identifying a child on the list as at risk or truant, a designated individual on the school staff will contact a designated individual in the local K-TAP office. This procedure should be worked out locally. In most offices, the coordinator will be the contact person on the K-TAP side. With the schools identifying attendance problems promptly, it is hoped that K-TAP staff can intervene before the quarterly listing is received and/or attendance problems become habitual.

- D. If a child or teen parent is attending a home school, a listing will be generated to the assigned worker.
 - 1. Form PA-33D is used to verify school attendance for the quarter for children in a home school setting.
 - 2. Form PA-33D is also used to verify school attendance for children not on one of the lists.
 - 3. Form PA-33D is used to verify school attendance at application or member add.
 - 4. Form PA-33D is also required to verify school attendance when a child in an active K-TAP case becomes 16. Use the information on form PA-33D to enter the school information on KAMES. If a child is coded as a child, the system identifies the child turning 16 with a spot check.
- E. The school attendance information can be entered on KAMES at any age; however, it is imperative that the correct school information is indicated when the child becomes 16 years of age. This will ensure the quarterly report goes to the correct school.
- F. For any teen parent in below post-secondary school or child 16 up to 19 years old not found on one of the lists, answer the attending school question on KAMES. This will ensure the student appears on the next quarterly listing. [If a student is not on the report and the information is entered correctly on KAMES, notify the Family Self-Sufficiency Branch through your Regional Office.]

MS 2320

FULL-TIME AND PART-TIME ATTENDANCE

- A. For purposes of the regular attendance requirement, full-time attendance is defined as a workload of:
 - 1. 12 semester hours or more in a college or university; or 6 semester hours or more during a summer term; or an equivalent in a college or university if other than a semester system is used;
 - 2. The number of hours required by an individual elementary, junior or high school/vocational school to fulfill the definition of full time;
 - 3. Number of hours required by the individual program for GED or literacy program.
- B. Part-time attendance is defined as less than a full-time workload, but the number of hours needed to complete a course of study leading to a certificate, degree or diploma by the end of the current term.

Apprenticeship or cooperative training not recognized as full-time school attendance is considered part-time.

MS 2321

WORK REGISTRATION

All adult K-TAP applicants, ages 18 through 59, must register for work unless exempt from the work registration requirement.

A. Individuals exempt from work registration requirements are:

1. Under age 18;
2. Age 60 or older;
3. Age 18 or 19 and in full-time attendance at a secondary school or below;
4. Receiving benefits based on 100% disability;
5. Former recipients of benefits based on 100% disability within the past 12 months who lost benefits due to income or resources and not an improvement in the disability; or
6. Employed 30 hours or more weekly at minimum wage or higher.

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B. On the work registration screen on KAMES, the question "Is he/she required to register for work by completing DSI form?" is required for any member age 13 or older. If "N" is answered for any member age 13 or older, enter an exempt reason code. The following are the exemptions to work registration and the KAMES codes for the field "If no, exempt reason?":

1. 01 - Under age 18;
2. 02 - Age 60 or over;
3. 03 - Age 18 or 19 in full-time below post-secondary school attendance;
4. 04 - Receiving benefits based on 100% disability;
5. 05 - Individual received benefits based on 100% disability within the past 12 months but lost benefits due to income or resources and not an improvement in the disability; and
6. 06 - Employed 30 hours or more weekly at minimum wage or higher.

C. The individual is registered for work by answering "Y" to the question on KAMES "Is he/she required to register for work by completing DSI form?" and signing the KAMES application. Signing the application registers all members of the case who are required to work register.

MS 2322 [KWP WORK ELIGIBLE INDIVIDUALS]

A member or non member in a K-TAP case who is a "work eligible individual" is required to participate in Kentucky Works (KWP) activities.

A. Work-eligible individuals are:

1. An adult or minor parent who is coded as a specified relative (M03) or second parent (M04) and included in the K-TAP benefit group unless exempt from KWP participation per criteria in [MS 2324](#); or
2. A parent who lives with the K-TAP child but is not included in the benefit group as an active member due to:
 - a. Disqualification due to a drug felony;
 - b. Probation/parole violations; or
 - c. Being a fleeing felon.
- B. Workers determine the KWP referral status of every K-TAP applicant/recipient. The individual is either work eligible and must participate in KWP or exempt and not required to participate. To be exempt, the individual must meet one of the exemption criteria found in [MS 2324](#).

When identifying the KWP referral status of each applicant/recipient, determine if an illness or disability exists. If an illness or disability is identified, potential eligibility for Supplemental Security Income (SSI) or Social Security Disability (SSDI) may exist. The individual is referred to the Social Security Administration (SSA) to apply for benefits. The individual is advised that SSI is a federal program of money payments to aged, blind or disabled persons and the eligible SSI individual is also eligible for Medicaid.

1. Nonexempt individuals must participate in KWP. If the participant does not participate, he/she is subject to conciliation and penalty if failure to participate is without good cause. Refer to Volume IIIA, [MS 4700](#) and [MS 4750](#).
2. If an individual has a disability, do not discourage participation. Inform the individual about services which are provided by Vocational Rehabilitation. Additionally, inform the individual about potential eligibility for SSI or SSDI. Refer the individual to the SSA for application for potential benefits.]

MS 2324

KWP EXEMPTION CRITERIA

[An exempt individual is not considered in the work participation rate calculation. These individuals are exempted from Kentucky Works Program (KWP) participation by answering "Y" to the question "Is this member exempt from KWP?" and entering the appropriate exemption code (U,T, D or G) on the KAMES KWP screens. Information about exempt members does not pass over to the STEP system. Exemptions are reported in the federal file for the month the exemption code is entered on KAMES. To remove the exemption for the following month, the exemption must be removed by the last work day of the current month. The exemptions to KWP participation are as follows:]

- A. "U" Exemption: The code used on KAMES is "U" for a K-TAP adult caring for a child less than the age of 12 months. This is an optional exemption for the adult. The 12-month period is a cumulative lifetime limit. The individual does not have to use the twelve months all at one time.

EXAMPLE 1: An exemption is entered January 15, 2008, for a child born January 2, 2008. The exemption period allowed is January through December. The exemption code must be removed by the last work day in December as the child turns age 1 in January 2009. In this example the client uses all of the permitted twelve months.

EXAMPLE 2: An exemption is entered January 15, 2008, for a child born January 2, 2008. The client is going back to work in June 2008 and no longer wants the exemption. The worker removes the exemption in May. In this example, the client uses five months of the permitted twelve. She has seven remaining months to use later.

IMPORTANT: The "U" exemption must be removed no later than the last work day of the month prior to the first birthday or last work day of the 12th month, whichever comes first.

In a UP case, the qualifying parent is not eligible for this exemption.

- B. "T" Exemption: The code used on KAMES is "T" for a teen parent, under age 18, with a child under 12 weeks old who is not required to attend school. These individuals are coded as "T" for 12 weeks. A spot check is set on KAMES for the 12th week to remove the exemption and ensure school attendance is begun or resumed.
- C. "D" Exemption: The code used on KAMES is "D" for a parent who provides care for a disabled family member who lives in the home. Form PA-4, Statement of Required Caretaker Services, must be completed to verify the need. Form PA-4 must be completed every six months.

- [D. "G" Exemption: The code used on KAMES is "G" for adults who receive social security benefits based on having a permanent disability. Use code "G" for this exemption and answer "Y" to the question "Does he/she receive SSDI due to personal disability?" on the KAMES KWP screens. In addition, on the KAMES member information screen answer "Y" to the question "Does he/she receive unearned income?" and indicate RSDI income. Enter the SSDI amount in the RSDI income field.]
- E. Adults who receive SSI benefits and are coded R57 or R58 on KAMES do not have to participate in KWP. To be coded R57 or R58, the worker enters the individual as M03 or M04 on the application or member add screen and answers "Y" to "Does he/she receive SSI?" and enters the SSI benefit amount on the unearned screen. The system will correctly code the SSI individual as R57 or R58.
- F. Adults who are ineligible for K-TAP due to alien status do not have to participate in KWP.

Review the existing exempt status or the potential of exempt status at reinvestigation or if changes are reported which might affect that status, e.g., the individual reports going to work, post-secondary school, death of the disabled family member, birth of a child, receipt of disability benefits, etc.

MS 2326 TEEN PARENTS AND ADULT SUPERVISED SETTING

To be eligible for K-TAP benefits, unmarried teen parents, under the age of 18, must live in an adult supervised setting and attend school. The teen parent, age 18 through 19, must attend school or meet the KWP work requirement. Those teen parents, under the age of 18, not meeting these technical eligibility requirements may have their needs removed from the K-TAP case with payments authorized to a protective payee. The teen parent age 18 or 19 is subject to a Kentucky Works pro rata penalty.

- A. The unmarried teen parent, under the age of 18, must live WITH an adult meeting the definition of a specified relative (SR) found in [MS 2328](#), a legal guardian or live in an approved adult supervised setting.
1. Determine an eligible living arrangement if the teen parent lives with someone meeting the definition of an SR, including a legal guardian.
 2. If the teen parent is not in an eligible living arrangement, assist the teen parent in finding an eligible living arrangement by discussing the teen parent's possibilities as defined in [MS 2328](#).
 3. When the teen parent is not living with an adult meeting the definition of SR, nonresponsible SR or legal guardian, the local Protection and Permanency staff have the responsibility of assessing the health and safety of the teen parent and the teen parent's child and assisting with appropriate services.
 - a. If an appropriate relative or legal guardian is not available or domestic violence, child abuse or neglect is alleged, a referral to the local Protection and Permanency staff is made.
 - b. The Family Support worker will contact the local Protection and Permanency staff by telephone and follow-up with form PAFS-628.
 - c. DO NOT pend the case while awaiting information from the local Protection and Permanency staff. Contact the local Protection and Permanency staff by telephone at the end of 30 days, if a response from the local Protection and Permanency staff is not received. If at the end of 30 days the local Protection and Permanency staff have not had opportunity to review the situation or health and safety issues are found and the local Protection and Permanency staff have not located an appropriate living arrangement, give an additional 30 days.
 - (1) The first spot check, "Check Adult Setting - 30 Days" displays to the worker's DCSR 25 days from the date in the DSS referral date field.
 - (2) The second spot check, "Check Adult Setting - 60 Days" displays to the worker's DCSR 55 days from the date in the DSS referral date field.

- (3) The spot check trigger is deleted by the system if a "Y" is entered in the adult setting field.
 - (4) A third spot check, "Teen Parent Turning 18 Yrs Old" displays to the worker's DCSR on the 15th day of the month prior to the month the teen parent turns 18 years old. Teen parents, 18 or 19 are not required to live in an adult supervised setting.
 - (a) This spot check is only for those teen parents with a "Y" entry in the adult setting field.
 - (b) Timely date is the 10th day from the day posted.
 - (5) Once posted to the DCSR, the spot check is deleted by the worker.
- d. The teen parent remains on cash assistance as long as she is cooperating with the local Protection and Permanency staff in finding an approved adult supervised setting.
- e. If the local Protection and Permanency staff determines there are no health and safety issues if the minor parent continues to live alone, the requirement for an approved adult supervised setting is waived.
4. Once a living arrangement is deemed appropriate, the teen parent and her child are required to remain in that living arrangement or another eligible arrangement to remain eligible for cash assistance.
- B. If the teen parent refuses to accept an appropriate living arrangement, the teen parent does not meet technical eligibility criteria for cash assistance and a protective payee is required.
 1. The teen parent's needs are removed from the cash assistance case and the 60-month count continues. The teen parent's income and resources are counted toward the case. The teen parent is not considered in the household size.
 - a. The teen parent's needs are removed from the K-TAP case by answering the question, "IF TEEN PARENT, DOES HE/SHE RESIDE IN AN ADULT SUPERVISED SETTING" with an "N".
 - b. A teen parent over the age of 18 or under 18, married and living with his/her spouse is not required to live in an adult supervised setting. Therefore, for teen parents under the age of 18, the system will edit against the "IS HE/SHE MARRIED?" and "IF YES, IS SPOUSE LIVING WITH THIS PERSON?" questions.
 - c. If the adult supervised setting question is answered with "N", the question "IF NO, DSS REFERRAL DATE: MMDDCCYY" requires an entry.
 - (1) If a Protection and Permanency referral date is entered, the field "COMPLYING" requires an entry.

- (2) If the entry for "COMPLYING" is "N", the "GOOD CAUSE" field requires an entry.
 - d. If there is an "N" in the adult setting indicator, and an "N" in the "COMPLYING" field and an "N" in the "GOOD CAUSE" field, the teen parent is NOT eligible for a cash payment.
 - (1) The IMID code is changed by the system to M13 or M14 with a member status of active and status reason code of 840.
 - (2) The individual continues to receive Family MA.
 - (3) A spot check is automatically posted to the FS case to advise entry of a "310 Disqual" if appropriate.
 2. Family Support staff assist the teen parent in naming a responsible adult as protective payee.
 - a. A protective payee may be an adult relative, neighbor, member of the clergy or a member of a community service group who is 18 years of age or older and willing to accept the responsibility.
 - b. The teen parent CANNOT be the payee.
 - c. In each local office, a protective payee resource file is established. Family Support staff contact individuals/groups in the community willing to be a protective payee. A protective payee resource file is necessary in the event a teen parent is unable to name someone.
- C. A child may receive cash assistance as head of the household for his/her child or another eligible child. At the point the child receives cash assistance as head of the household or married to the head of the household, his/her 60-month count begins.
1. A teen parent, under age 18, living in an adult supervised setting and coded as specified relative (M03 on KAMES), is not considered as the head of household and is exempt from the 60-month count.
 - a. Add teen parents, under age 18, in the above situation to a tickler file in each office.
 - b. The supervisor or designated individual will set up a tickler file in a central location.
 - c. The tickler file will track the months of receipt of cash assistance which should NOT be counted toward an individual's 60-month count.
 2. The clock ticks (the 60-month count continues) for those teen parents who do NOT live with an adult and Protection and Permanency staff have determined that living without adult supervision is an acceptable arrangement.
- Teen parents, under age 18, coded as a specified relative (M03 on KAMES), who are NOT living in an approved adult supervised setting are considered head of the household and are NOT exempt

from the 60-month count. The clock ticks. This includes those M03 teen parents referred to Protection and Permanency because they are living with an adult who did not meet the definition of legal guardian or a responsible or nonresponsible specified relative. The clock continues to tick even though Protection and Permanency indicates the living arrangement does not threaten the health and safety of the minor parent and the minor parent's child.

MS 2327

TEEN PARENTS AND SCHOOL

[An assessment and form PA-202TP, Teen Parent Personal Responsibility Plan (PRP), is completed for each teen parent under 18 years of age including married teen parents.] The PRP is completed during the assessment. Follow assessment guidelines for teen parents refusing to complete the PRP. Teen parents, age 18 or 19, complete the Transitional Assistance Agreement (TAA).

- A. The PRP serves as an agreement between the Agency and teen parent and as a road map for necessary action. The PRP is completed by the teen parent with the assistance and guidance of a case manager or designated individual. The PRP:
 - 1. Sets goals for education and employment;
 - 2. Defines State Agency and participant activities and responsibilities;
 - 3. Explains supportive services;
 - 4. Advises attending and completing school is a requirement;
 - 5. Provides for establishment of paternity and child support orders;
 - 6. Identifies resources for improving parenting skills for teen parents to access; and
 - 7. Lists family planning and paternal involvement as areas of importance in the long-range planning process toward self-sufficiency.
- B. All teen parents, under the age of 18, must attend school including elementary or high school or other equivalency program to meet the work requirement and to meet K-TAP eligibility. Earned income of the student teen parent is excluded. See [MS 2512](#).
 - 1. The only exemptions to this requirement, for the teen parent under age 18, are as follows. The teen parent:
 - a. Has already completed high school or its equivalent; or
 - b. Has a child in the home under the age of 12 weeks.
 - 2. If the teen parent does not meet the exemption criteria under TANF, verify school enrollment or attendance via the school report or form PA-33D, Child's Certification of School Enrollment/Attendance. Form PA-33D is:
 - a. Used to verify school attendance at application or member add;
 - b. Used to verify school attendance for the quarter for children in a home school setting; and
 - c. Returned within 10 calendar days.
 - 3. Use the information on form PA-33D to enter the school information on KAMES.

4. The question "IS HE/SHE ATTENDING ELEM/MID/HIGH SCHOOL?" is a mandatory field for all "M" members of the K-TAP case, ages 16 to 19 and all teen parents. This field is not required for "R" or "T" members.
5. If the question "IS HE/SHE ATTENDING ELEM/MID/HIGH SCHOOL?" is answered "Y", additional entries are required on the student information screen. This information is used to generate a quarterly School Attendance Report.
 - a. A school number must be entered. Use the Inquiry Menu screen to obtain the school number.
 - (1) Choose option N-School Listing.
 - (2) Enter the county number on this screen.
 - (3) This screen will then display the county number, county name, school name, 9-digit school number, and school address.
 - (4) Workers will not be able to change anything on this screen.
 - b. After the school number is entered, the system will read a school file and upload the name and address of the school. The school number is a 9-digit number consisting of the 3-digit county number, the 3-digit district number and the 3-digit school number.
 - c. If the child is in a home school situation or any other school not covered by the school file, the 9-digit school number is the county number, district number and 999. If the home school code (999) is used, the school name and address fields are unprotected and must be entered by the worker.
6. The School Attendance Report is used to verify school attendance in an elementary or high school setting for all teen parents through 19 years of age. The report covers the previous quarter.

The report of children in school is generated to each school in each county with a K-TAP child in attendance. The report is provided to each local office with a student on the list. Staff may use the duplicate report to track the return of the report from the school. Each report includes the name of the school, the school address, the case name and number and the child's name and Social Security Number. The report also identifies the caseworker's name, address, telephone number and caseload code. Upon receipt of the report, the school annotates and returns the report to the local office within 10 days.

- a. On the School Attendance Report, the school staff will indicate a "Y" or "N" to "Attend Regular". The school will provide a numeric entry for "Unexcused Absence" and "Tardiness". If the school indicates the student is attending regularly, no further action is required.

- b. If the school indicates the student is NOT attending regularly or the problems are identified in the "Comments" section of the report, contact the teen parent or adult. Advise the adult or teen parent of the necessity for the teen parent to remain in school.
 - c. If the teen parent has NOT dropped out, no further action is required. If the teen parent or adult indicates the student is no longer attending school, remove the child from the K-TAP case or discontinue the case, whichever is appropriate.
 - d. The school may retain a copy of the report and use the report to identify a K-TAP child at risk of dropping out of school. Upon identifying a child on the report as at risk or truant, a designated individual on the school staff will contact a designated individual in the local office. This procedure should be worked out locally. In most offices, the KWP coordinator will be the contact person. With the schools identifying attendance problems promptly, it is hoped that staff can intervene before the quarterly listing is received and/or attendance problems become habitual. Staff will contact the adult or teen parent and inform the adult or teen parent that the student will be removed from the K-TAP case if he/she does not remain in school. To avoid a reduction of K-TAP benefits, the teen parent is urged to attend school.
 - e. If a teen parent is attending a home school, a report is generated to the assigned worker. Form PA-33D is used to verify school attendance for the quarter for children in a home school setting. Form PA-33D is also used to verify school attendance for children not on one of the reports.
7. If the teen parent who will be 16 soon is coded as an M03, it is necessary to enter a manual spot check. If the teen parent is coded as an M07, the system applies a spot check. If the teen parent is 16 at the end of a quarter, use form PA-33D to verify school attendance. If not at the end of the quarter, use the most current form PA-33D. Enter the school attendance information on KAMES. The school attendance information can be entered on KAMES at any age; however, ensure that the correct school is indicated when the teen parent becomes 16 years of age. This will ensure the quarterly report goes to the correct school.
8. Unless the teen parent or supervising adult states he/she will not reenter school, consider the teen parent in regular attendance in months in which he or she is not attending due to:
- a. Official school or training program vacation;
 - b. Illness;
 - c. Convalescence;
 - d. Family emergency; or
 - e. School suspension of a short duration. This does not include expulsion from school.
9. Allow teen parents the opportunity to enroll in school. If a teen parent indicates he/she is not currently in school, but will now go

to school, the teen parent must provide verification from the school he/she will be or is enrolled. If the school will not allow school enrollment after school has started or mid year, a statement from the school must be provided indicating when the teen parent will be allowed to enroll.

EXAMPLE: In October, a teen parent is not in school for reasons other than being expelled. Policy is explained and the teen parent states he/she will enroll in school. The teen parent provides a statement from the school indicating that he/she cannot begin classes until January. The teen parent is not removed from the K-TAP case in October. A spot check is entered to verify school attendance in January.

If an individual is expelled from school and not allowed to return, an alternate school program must be obtained to remain K-TAP eligible.

10. If the teen parent is not in school, the teen is removed from the active K-TAP case or the K-TAP application is approved with the teen parent as an ineligible member by answering the appropriate questions on KAMES.
11. If the teen parent is not in school and is the only eligible child/individual in the household, the K-TAP case is discontinued or the K-TAP application is denied.
12. Teens technically ineligible for K-TAP for failure to attend school remain eligible for MA.
13. To affect the K-TAP case with a teen parent not in school, the question "IS HE/SHE ATTENDING SCHOOL?" is answered "N":
 - a. An additional question "IF NO, HAS HE/SHE GRADUATED?" must be answered;
 - b. If the graduated question is answered "N", the system will apply:
 - (1) A disqual type of 444; and
 - (2) A member status of A with a status reason of 844; or
 - (3) A member status of C (countable) with a status reason of 844, if the teen was the only eligible child in the household.
 - (4) If an 844 member status reason is applied, a spot check "16-18 NO SCHOOL, ENTER FS 310" will post to the FS case.
 - (5) If the teen is the only eligible child in the household, the case would be denied for reason 244 or discontinued for reason 644 and would alternate program to determine MA eligibility.

- c. Verification of a high school diploma is required for a teen parent under age 18 who is not attending school because he or she is a high school graduate or received an equivalency diploma. If the verification is not provided, remove the teen from the K-TAP case or discontinue the case, whichever is appropriate.
- d. The disqual type of 444 must be manually deleted by the K-TAP worker. The 444 disqual text reads "16-18 NOT IN SCHOOL". The disqual 444 is displayed when the member status is 844. The disqual must be deleted if:
 - (1) The disqual is entered in error;
 - (2) The teen parent goes back to school;
 - (3) The case is discontinued and at least one member has a member status of 844; or
 - (4) The case is discontinued because the only eligible child in the case is not in school.

It is necessary to remove the 444 disqual at case discontinuance to allow the adjustment to the food stamp case. The 444 disqual is NOT valid once the K-TAP case is no longer active.

- 14. If the teen parent is removed from the K-TAP case and later reports he/she is in school, allow the teen parent the opportunity to provide verification of school attendance or enrollment. If verification is provided, add the teen parent to the K-TAP case. Supplementals may be issued, as appropriate, for any month following the month the teen parent or supervising adult reports the teen parent in school. If a sanctioned teen parent reports being enrolled in school during the summer break, verification is required before the teen parent is added to the K-TAP case.

- C. Teen parents, age 18 through 19, who have not completed high school or do not have a GED have the option of completing Kentucky Works requirements by:

- 1. Attending school or equivalency program; or
- 2. Participating in a Kentucky Works activity including employment. The Kentucky Works activities include both countable activities and allowable, not countable activities.

A workaround is necessary for those cases with an 18 or 19 year old teen parent who is not required to attend school, has only one child in the household and remains eligible for K-TAP. The question on KAMES "IF NO, HAS HE/SHE GRADUATED?" must be answered "Y" to allow the K-TAP case to remain eligible. Indicate in comments the action taken and why.

- D. A teen parent is always encouraged to attend school in a regular elementary or high school setting. However, acceptable school attendance for all teens may include:

1. Home schooling;
2. Homebound instruction which is provided by the school system;
3. Adult basic education classes; or
4. A GED program. If a teen parent completes a GED program and is waiting to take the GED test, verification must be provided that the teen parent is expected to pass the GED test. If verification is provided, the teen remains eligible for K-TAP while waiting to take the GED test. If the teen is not expected to pass the GED test, he or she must begin classes again to remain eligible for K-TAP.

The number of hours of adult education classes are not an issue as there is no required number of hours for school attendance for teens.

Home schooling can begin at any point if it meets the criteria.

Correspondence courses are NOT acceptable as school attendance.

- E. Enter the appropriate component on STEP for the teen parent coded M03, e.g., HSC for elementary or high school, GED or ABE. [Track ABE or GED placements via form PA-33.]

STEP tracks for teen parents coded M03 who are under age 19 and are coded in HSC with an enrollment start date (not rejected or completed). A worker entry is required for the first month of tracking. The worker must enter the hours of attendance. A "Y" will upload monthly in the requirement met field on the tracking screen. The caseload code, PA-33 and transportation fields will be left blank. A worker can override the system entry. A worker may override "Y" with an "N" if it is determined the teen parent has failed to participate. Auto tracking will discontinue if a "term date" is passed from KAMES to STEP.

Staff enter tracking information quarterly on STEP for teen parents coded M03 upon return of form PA-33D or the School Attendance Report, whichever is appropriate.

MS 2328

RELATIONSHIP

[Policy Clarification](#)

- A. To be eligible for K-TAP, the child must be living in a home with a relative meeting the definition of a specified relative. A specified relative is the child's natural or adoptive parent. If the parent is not in the home, the specified relative may be any of the following:
1. A blood relative of the child including half-blood relatives;
 2. Legally adopted or natural children of the adoptive parent, and other relatives of such parents;
 3. The alleged parent or a relative of the alleged parent may be determined a blood relative through the administrative establishment of paternity; or
 4. A relative by marriage of any persons listed in items 1. - 3. even if the marriage has ended. This is true as long as the marriage ended after the child's birth.
- B. A SPECIFIED RELATIVE OTHER THAN THE NATURAL, ADOPTIVE, or adjudicated PARENT (including administrative establishment of paternity) is a "nonresponsible specified relative." A nonresponsible specified relative may provide a home for a dependent child without necessarily assuming obligation for support. If the relative with whom the child lives wishes to be included in the assistance plan, he/she is included in the case along with his/her income and any income deemed to him/her. No second parent is included in such cases.
- C. Adoption severs the legal responsibility of the biological parents to the child. However, adoption does not end the blood relationship between the adopted child and the biological parents and their relatives. As a result, if the child returns to the home of his/her biological parent, the biological parent has the following options:
1. Exclude the child from his/her K-TAP case on the basis that he/she DOES NOT have legal responsibility for the child; or
 2. Apply for benefits for the adopted child based on the biological relationship to the child as his/her parent.

If one biological parent assumes legal responsibility for his/her adopted child, a referral to DCS is inappropriate on the absent biological parent. In this instance, a referral on the adoptive parent may be appropriate, depending on the reason for absence of the adoptive parent.

If the adopted child is in the home with both his/her adopted parent and the biological parent, the child must be included with the adoptive parents in determining K-TAP eligibility.

For relatives of the biological parent, the blood relationship to the adopted child is the same as before the adoption.

MS 2329

VERIFICATION OF RELATIONSHIP

[See Policy Clarification](#)

- A. [The relationship of the relative applying for assistance for a child must be verified. A birth certificate is the primary source for verification of relationship of parent to child. The worker should exercise prudent judgement in determining reasonable verification for relationship of a relative other than a parent. If other acceptable sources are available, these sources should be utilized.]

For example, reasonable verification may be provided when a great aunt provides a court order giving her custody/guardianship and the court order states she is the great aunt. In a similar situation, a grandmother provides a court order giving her custody/guardianship; however, the court order does not specify the relationship. As her sole source of verification, this may not suffice.

- B. [A child's birth verification (verifying relationship of parent to child) and the statement of the parent, other than the alleged parent, is acceptable proof of relationship unless there is reason to doubt such statement.]
- C. Acceptable proofs of relationship may be one item/document or a combination of items/documents. The following list is not intended to be all-inclusive or to reflect any particular order of acceptance.
1. State authorized/numbered birth certificate;
 2. Verification of birth registrations;
 3. Hospital record;
 4. Church documents including baptismal certificates;
 5. Statement from attending physician/midwife;
 6. Adoption record;
 7. INS records;
 8. IMS Program E7, Birth Certificate Inquiries;
 9. School record;
 10. Insurance policy;
 11. Medical records, including immunization record;
 12. Passport/immigration/naturalization papers;
 13. Driver's license;
 14. Family Bible;
 15. Military records;
 16. Court/legal documents which specify relationship;
 17. Marriage and/or divorce records;
 18. VS-8, Declaration of Paternity;
 19. VS-8B, Voluntary Acknowledgement of Paternity;
 20. VS-8C, Three-Way Paternity Affidavit; or
 21. If there is no other source of verification available, and ONLY AFTER the supervisor provides approval, obtain a notarized statement from an individual having specific knowledge about the relationship between the applicant/recipient and child. The statement must include:

- a. Name of the child;
 - b. Date of birth;
 - c. Place of birth;
 - d. Individual's relationship to the child; and
 - e. Basis of the individual's knowledge.
- D. The relationship of a relative, other than the parent, must be verified. For example: If the relative states she is an aunt, sister of child's mother, the documentation must verify the relative is a sister of the mother and verify the relationship of the mother to the child.
- E. An alleged parent or relative of an alleged parent must provide proof of legal paternity or evidence for administrative establishment of paternity. The relative of the alleged parent must also provide verification of relationship to the alleged parent.

When evidence is not provided or conflicting evidence (e.g. more than 1 affidavit, etc. is provided for the same child), deny the application since relationship to the child cannot be established.

2330

[ADMINISTRATIVE ESTABLISHMENT OF RELATIONSHIP]

Administrative establishment of relationship (AER) is determined when either the alleged parent or his relative is applying for K-TAP, or the alleged parent is in the home.]

In order to make this determination, one of the following types of evidence must be provided. [If determining AET on an alleged parent in the home, the evidence must be readily available to the worker.]

- A. A birth certificate listing the alleged parent; or
- B. Documents such as hospital records, juvenile court records, wills, and other court records which clearly indicate the relationship of the alleged parent or relative; or
- C. Receipt of statutory benefits as a result of the alleged parent's circumstances; or
- D. [Form VS-8, Declaration of Paternity, can be accepted to administratively establish relationship to determine K-TAP or Family Medicaid eligibility.] Form VS-8 is used by Vital Statistics to establish paternity outside a hospital. Form VS-8 must be signed by both parents and must be notarized to be valid verification of paternity. A correctly completed form VS-8 has the same authority as a paternity judgment.
- E. [Form VS-8B, Voluntary Acknowledgement of Paternity, can be accepted to administratively establish relationship.] Form VS-8B is used in the hospital based voluntary acknowledgement of paternity process. The form is used by hospital personnel to establish paternity either before or after the birth of a child. Form VS-8B must be signed by both parents and must be notarized to be valid verification of paternity. [Accept form VS-8B completed through the hospital based process to administratively verify relationship to determine Medicaid or K-TAP eligibility.
- F. A notarized form VS-8C, Three-Way Paternity Affidavit, can be accepted to administratively establish relationship to determine K-TAP or Family Medicaid eligibility.] This form is completed with the assistance of Vital Statistics staff when a child is born to a married woman and the child was fathered by a man other than her husband. Anyone seeking information about the three-way paternity process must contact Vital Statistics in Frankfort at (402) 564-4212. A correctly completed VS-8C has the same authority as a paternity judgment.
- G. A notarized statement or affidavit of either parent acknowledging paternity PLUS one of the following:
 - 1. School records;
 - 2. Bible records;
 - 3. Immigration records;
 - 4. Naturalization records;
 - 5. Church documents, such as baptismal certificates;
 - 6. Passport;

7. Military records; or
 8. U.S. Census records; or
 9. Notarized statement or affidavit from an individual having specific knowledge about the relationship between the alleged parent and child. The statement must include:
 - a. Name of the child;
 - b. Date of birth;
 - c. Place of birth
 - d. Individual's relationship to the child; and
 - e. Basis of the individual's knowledge.
- H. In cases in which the parent or, in the absence of the parent, the caretaker relative states the individual listed in item A or B is not the actual mother/father of the child, the parent/caretaker relative may provide substantiating evidence that the information was erroneous (e.g. proof that the parent named on the birth certificate was incarcerated for the 12 month prior to child's birth, etc.) and identify the alleged parent by providing a notarized statement or affidavit containing the following:
1. The erroneous information originally provided; and
 2. The correct identity of the alleged parent.

[When the case record contains the above notarized statement or affidavit and substantiating evidence to refute the original information, do not administratively establish relationship for the individual listed on the birth certificate or legal documents. If administrative establishment of relationship has previously been established for the alleged parent now cited as being erroneous, consider it no longer valid.]

Once a notarized statement or affidavit is submitted to change the parent, the rebuttal process cannot be used again to refute it.

For currently active cases approved between 4/1/85 and 10/31/86, containing a notarized statement (affidavit) signed by the alleged parent acknowledging paternity, enter "Grandfathered-In – 11/1/86" in comments on KIM, no further action is required. [For cases approved/reapproved on or after 11/1/86, an administrative establishment of relationship is required to establish relationship.]

MS 2331

COMMON-LAW MARRIAGES

Kentucky does not recognize common-law marriages unless a couple has been considered legally married by a state that does recognize common-law marriage. Common-law marriages are recognized in the following 13 states and the District of Columbia:

Alabama	Iowa	Ohio	Rhode Island
Colorado	Kansas	Oklahoma	South Carolina
Georgia	Montana	Pennsylvania	Texas
Idaho			

To be considered married by common-law in these states, the couple must live together and indicate to the community where they live that they are husband and wife.

To be considered married by common-law in New Hampshire a couple must live together three years or longer.

Florida recognizes those common-law marriages that were entered into before 1/1/86 as valid.

The statement of the individual that he/she resided in a state which recognizes common-law marriage and that he/she was considered married is accepted as verification.

MS 2332

ENUMERATION

Public Law 93-647 requires as a condition of eligibility, that each person in the K-TAP assistance plan, must furnish a social security number (SSN) or apply for a number if one has not been issued. [Do NOT require the applicant to provide a SSN or apply for a SSN for an individual who will not be a member of the K-TAP benefit group. EXAMPLE: If a grandmother is applying for a grandchild and is not going to be included in the case, she does not have to provide a SSN for herself.]

Birth date, identity, and citizenship/alien status must be verified on all applications for a SSN. If a Numident Match was completed as indicated by "SA" on KAMES, accept this as verification of the individual's SSN and document in the case record.

- A. Refusal to furnish a number or to make application for a number results in the sanction (removal of the individual's needs) of the individual to whom the refusal is applicable. If the refusal to enumerate involves the SSN for a child, that child is sanctioned. If that child is the only eligible child in the home, the case is denied/discontinued.
- B. During each application/recertification, review the case to determine if all K-TAP individuals have been enumerated. SSN's for each member of the assistance group is entered on KAMES. If an individual is not currently enumerated or the SSN is not available or a verified SSN application has not been completed in the past 75 days, complete form SS-5, Application for a Social Security Number Card.
- C. Applications may be approved, or eligibility continued, during the period pending issuance of a number by the Social Security Administration.

For additional information on enumeration, refer to [Volume I, MS 0650](#) and [MS 0653](#). Refer to [MS 0656](#) for information concerning the SSN application process.

MS 2334

RESIDENCY

- A. A child and the relative with whom the child lives must be actually residing in the state and be either citizens of the United States or aliens legally admitted for permanent residence. [For citizenship refer to Vol. I, MS 0625-0630 and for legally admitted permanent residents refer to Vol. I, MS 2000-2199.]

EXCEPTION: If a child of an illegal alien is born in the United States, the child is considered a U.S. citizen. The illegal alien parent may not be included in the case, but may be payee for the child.

A child physically present in the home of applicant/recipient day by day is considered living in the home. [However, if the child is required to be in an LTC facility he/she remains K-TAP eligible for up to one year.]

EXCEPTION: In cases of joint custody, eligibility may not exist. In determining joint custody, a case-by-case decision is made based on facts of the individual situation as they relate to the provisions of continued absence and the "living with" requirement. Refer to [MS 2340](#).

- B. Consider applicant/recipient residents if they meet either of the following definitions:
1. The person is living in the state voluntarily and not for a temporary purpose. A child is a resident of the state in which he/she is living other than on a temporary basis; or
 2. The person is, at the time of application, living in Kentucky, is not receiving assistance from another state and entered Kentucky with a job commitment or seeking employment (whether or not currently employed). Under this definition, the child is a resident of the state in which the caretaker relative is a resident, and migrants are considered residents.

[Note: If the recipient maintains no fixed or permanent address and can provide no mailing address, issue benefits in care of the local DCBS office. Use this procedure at the recipient's request when no other means of delivering benefits are available.]

MS 2336

VERIFICATION OF RESIDENCY

- A. [For any case member, who is an alien, verification of immigration/residence status is required. Refer to Vol. I, [MS 2000-2199](#), Aliens section, for specific instructions.]
- B. The individual's statement is acceptable verification of the individual's intended place of residence unless there are indications that the individual actually resides in another state. In such instances, obtain verification of residency. Also, monthly spot checks for residence are required for migrants.
- C. Verification that the child is residing with a relative is required. To verify that the child lives in the home, use statement of landlord, school records or other collateral contacts.
- D. For those applicants recently entering Kentucky, verify their assistance status with the out-of-state public assistance agency. Use form PAFS-28, Out-of-State Inquiry, to obtain verification of assistance status. If the out-of-state agency has not responded within 2 weeks, send another form PAFS-28 marked "second request". If there is still no response after 2 more weeks, make a phone call to the agency before the 30-day standard of promptness expires.

MS 2338

TEMPORARY ABSENCE

Policy Clarification

- A. Temporary absence from Kentucky with subsequent returns, or intent to return when the purposes of the absence have been accomplished, does not interrupt continuity of residence. Spot check monthly to determine whether there continues to be an intent to return to Kentucky.
- B. Temporary absence from the home of the specified relative (SR) for medical care, attendance at school, Job Corps or short visits with friends or relatives does not interrupt the "living with" requirement when it is intended that the SR will return to the home, AND the parent/SR continues to exercise control over the child.
- C. Temporary absence of a child from the home does NOT exist when the child is away from the home or expected to be away from home in excess of 30 consecutive calendar days, except when good cause exists.
 - 1. The following are good cause reasons for being away from home for more than 30 days:
 - a. Medical care;
 - b. Attendance at school including boarding school;
 - c. Attendance at college or vocational school including Job Corps;
 - d. Visiting with family or friends when it is intended that the child will return to the home and the parent/SR maintains parental control. For example:
 - (1) The child lived with and is included in mom's K-TAP case but stays with grandma in another county or state to attend school. The mother maintains parental control; therefore, the child is not considered absent.
 - (2) The child is visiting with her father for 2 months during the summer. Mom maintains parental control; therefore, the child is not considered absent; and
 - e. The good cause reason for being away from the home due to an emergency custody order is limited to 30 days for the child.
 - (1) After the child has been absent due to an emergency custody order for more than 30 days, the child must be removed from the K-TAP case.

Spot check the case prior to cut off in the month the 30-day period ends in order to allow time to take action effective the following month.

EXAMPLE 1: On 7/25 a child in a K-TAP case is placed in emergency custody. The 30-day good cause period ends 8/25. A spot check is manually posted for 8/10 to contact the appropriate Protection and Permanency staff to determine the status of the child. If the child is expected to remain in emergency custody beyond 8/25, remove the child from the K-TAP case effective 9/1. If the child is back in the home, no action is needed.

EXAMPLE 2: On 9/2 a child in a K-TAP case is placed in emergency custody. The 30-day good cause period ends 10/1. Manually post a spot check for October to contact the appropriate Protection and Permanency staff to determine the status of the child. Ensure contact with the appropriate Protection and Permanency staff is made in time to allow action to remove the child, if necessary, prior to cut off. If the child is back in the home, no action is needed.

- (2) If the only child in a K-TAP case is absent due to an emergency custody order, the eligible parent in the case remains eligible for 60 days from the date the child is placed in emergency custody. KAMES cannot support this change; therefore, a workaround is necessary. Code the child in emergency custody R-56, foster care child, the first administratively feasible month following 30 days from the date the child is placed in emergency custody. Post a spot check to manually discontinue the parent's case in the appropriate month.

EXAMPLE: Doris receives K-TAP for Amy and herself. On 9/4, Amy is placed in emergency custody and after 30 days it is determined that she will stay an additional 45 days. Doris is eligible to receive for herself for 60 days from 9/4. Remove Amy from the grant, code her "R56" effective November, and discontinue the K-TAP case effective December.

2. For the SR to remain eligible for K-TAP, if the CHILD's absence does not meet one of the good cause reasons and other children reside in the home, the SR must report the child's absence within 5 calendar days of becoming aware the absence will exceed 30 consecutive days.
3. If the SR does not report within 5 calendar days, of the child's absence (expected to exceed 30 consecutive days), the SR is ineligible to receive K-TAP for the month the absence is

unreported. Following the untimely report, the SR remains ineligible until the month following the month the SR reports the child's absence.

If the fifth day of becoming aware the child's absence will exceed 30 consecutive days falls on a weekend or holiday, allow the SR until close of business of the next work day to report the child's absence.

4. At the point the agency becomes aware the child's absence exceeded 30 days or is expected to exceed 30 days without good cause, the child is removed from the case the first administratively feasible month. If this is the only child in the case, the case is discontinued.

[D.] A K-TAP parent or child who enters a long term care facility may remain eligible for K-TAP for up to 1 year as long as all other technical requirements are met. Immediately refer the nursing facility recipient to the Social Security Administration utilizing form PAFS-5.1, Report or Referral to the District Social Security Office, to apply for RSDI/SSI benefits if the recipient's medical condition appears to be disabling, e.g., head injury, quadriplegia, etc.

[E.] Residence in a spouse abuse center does not affect eligibility; however, the children must be living with the parent unless temporary absence existed prior to entering the spouse abuse center.

MS 2339

THIRD PARTY LIABILITY

[As a condition of eligibility for Medicaid, Federal law requires cooperation in the assignment of rights for third party payments to the Cabinet for Health Services, Department for Medicaid Services for care or services available under Medicaid. Refer to [Volume IV, 2100-2130](#) for procedures.]

In addition, if a case member or a responsible individual residing with the assistance unit but not included in the case (e.g., sanctioned parent or stepparent) is employed, a determination for the appropriateness of the Kentucky Health Insurance Premium Payment (KHIPP) program must be made. [Refer to [Volume IV, 2150](#) and [2160](#) for KHIPP procedures.]

MS 2340

INTRODUCTION TO DEPRIVATION

[SEE POLICY CLARIFICATION](#)

See OMU 04-20, [MS 99674](#), 7/1/04.

[TO BE ELIGIBLE FOR K-TAP, a child must be deprived of parental support due to the death, incapacity, unemployment or continued absence, either voluntary or involuntary, of the natural or adoptive parent.]

A deprivation factor must be established for each child for whom application is made or assistance granted.

MS 2344

DEATH

Death of the natural or adoptive parent constitutes deprivation.

[The deprivation factor is changed to death on KAMES for each appropriate child if the divorced or absent parent dies. Appropriate notification is sent to the Division for Child Support when the deprivation factor is CHANGED to death. Document this change on the Referral Comments screen on KAMES.]

If the deceased parent was not married to the mother, the deprivation factor is birth out-of-wedlock, not death.

[If there are benefits such as RSDI accruing to the child, the statement of the individual is generally accepted as evidence of death. Otherwise, request the individual to present substantiation in the form of a death certificate, newspaper notice, hospital or medical record, or other record.]

MS 2346

PENAL INSTITUTIONALIZATION

Commitment of a parent to a penal institution for a period in excess of 30 days, constitutes deprivation due to absence.

- A. Verify imprisonment and length of sentence by contact with law enforcement officials. Set up the case for review as of the month of probable release.
- B. The otherwise eligible child may receive assistance for the month the parent returns to the home from the penal institution.
- C. When the parent is released from the penal institution, determine eligibility as follows:
 - 1. If the parent returns to the home, discontinue the case effective the month following return.
 - 2. If the parent is released to a half-way house, deprivation based on imprisonment still exists even if the parent is permitted to spend some time at home.
 - 3. If the parent is allowed to live at home while serving a court imposed sentence by performing unpaid public work or unpaid community service during the workday, deprivation based on imprisonment still exists and the case remains technically eligible. However, home incarceration without performance of unpaid public work or unpaid community service does not constitute deprivation based on imprisonment.

MS 2348

HOSPITALIZATION

Long term care of a parent in a hospital constitutes deprivation due to absence. Long term care is a period of time of 120 days or more. If hospitalization is anticipated to terminate in less than 120 days, work the case as a field determination, incapacity case.

Verify hospitalization through contact with the appropriate hospital to secure the diagnosis, prognosis, and estimated length of stay.

The otherwise eligible child may receive assistance for the month the parent is released from the hospital. If the parent alleges continuing incapacity, eligibility continues during the period incapacity is being established. continues during the period incapacity is being established.

MS 2350

DEPORTATION

Deportation of a parent constitutes deprivation due to absence.

[Verify deportation by viewing documents in the individual's possession or clearance with law enforcement officials.]

MS 2352

SINGLE PARENT ADOPTION

A single parent adoption automatically establishes deprivation for the child since there is only one parent.

Verify the single parent adoption by viewing the adoption papers or contact with the agency which handled the adoption (e.g., Protection and Permanency staff). Document the type of verification.

MS 2355

DIVORCE

See OMU 04-20, [MS 99674](#), 7/1/04.

Divorce is the absence of a parent from the home due to the legal dissolution of a marriage by a court judgement. Divorce does not terminate the parent's obligation to support the child. However, there may be situations in which the obligation to support the child is terminated, such as termination of parental rights when the child is adopted.

[If the court has ordered joint custody of a child, determine if one parent has primary physical custody. Primary physical custody means the parent has physical custody of the child more than 50% of the time. If one parent meets this criteria, then that parent and the child may be K-TAP eligible, if all other eligibility criteria is met. The K-TAP case remains eligible during periods when the child is with the other parent (e.g., the child spends the summer break with the other parent).

If the joint custody agreement is 50/50 for physical custody and being adhered to, there is no deprivation for the child.]

However, a deprivation may exist, if the parent seeking assistance provides convincing evidence to the contrary. [The parent applying for assistance must provide supporting documentation that the other parent is not meeting the custody and/or financial provision of the joint custody agreement. Supporting documentation may be items such as collateral contacts or written records maintained and provided by the parent.] If a discrepancy exists in the parent's statements or supporting documentation, it may be necessary to contact the legal absent parent to determine if he/she continues to function in the parental role.

[At application, if the physical custody of the child is 50/50 and the physical and financial provisions of the agreement are being followed by the parents, do the following:

- A. Explain to the applicant that no deprivation exists for a 50/50 joint custody arrangement and the applicant has the option to have the order amended.
- B. If the applicant is interested in getting the joint custody order amended:
 1. Refer the individual to Legal Aid for assistance in getting the order amended;
 2. Pend the application for the amended order;
 3. Spot check the case every 30 days to check with the applicant on the status of the amendment;
 4. If the order is amended and primary custody can be determined, approve the application back to the original date of application.

- C. If the individual does not want to amend the order of equal custody, deny the application.]

MS 2357

LEGAL SEPARATION

Legal separation is the suspension of cohabitation of the two parties by court judgement. Unless specifically ordered by the court, legal separation does not terminate the parent's obligation to support the child.

MS 2359

MARRIAGE ANNULMENT

Marriage annulment is the absence of a parent from the home due to the legal proceeding declaring a marriage invalid from its inception. Children of a marriage annulled because of minor age of parties, because it was obtained by force or fraud, was bigamous, or because it was an incestuous marriage are considered born in lawful wedlock. Unless specifically ordered by the court, annulment does not terminate the parent's obligation to support.

MS 2361

DESERTION

[SEE POLICY CLARIFICATION](#)

- A. DESERTION is the intentional severing of parental obligations, duties and rights on the part of the parent and:

1. Absence of the parent from the home for 30 days or more; or
2. Refusal on the part of the parent to accept the child into the home for a period of 30 days or more.

The first day of desertion is the day the parent leaves the home. Desertion is considered to exist beginning with the 31st day of absence. EXAMPLE: If the parent leaves the home on 12/1, the deprivation exists as of 12/31. Once the 30 days has elapsed, the K-TAP case is approved back to the application date, if all other eligibility factors are met.

NOTE: Desertion does not apply to children born out-of-wedlock, even if paternity is established either administratively or by adjudication.

- B. DESERTION ALSO EXISTS WHEN:

1. The child leaves the parent because the parent was requiring the child to live under circumstances hazardous to the health or morals of the child;
2. One of the parents in the home is required by the court to leave the home because that parent was requiring the child to live under circumstances hazardous to the health or morals of the child;
3. The child is voluntarily placed with relatives following a finding by Protection and Permanency staff that the home is unsuitable;
4. The child is placed by the court with a specified relative other than the parent;
5. The child is eligible and receiving benefits in the "W" category or based on the incapacity of a parent and one of the parents subsequently leaves the home; or
6. Absence of both parents.

[The 30-day desertion criteria does not apply to these 6 situations.]

- C. DEPRIVATION DOES NOT EXIST if the only reason the parent is absent from the home is due to active duty in the uniformed services, because the parent is considered in the home. [Uniformed services are defined as Army, Navy, Air Force, Marine Corps, Coast Guard, Environmental Sciences Services Administration, and Public Health Services of the United States.]

MS 2363

FORCED SEPARATION

Forced separation exists when:

- A. An applicant is in a spouse abuse center AND the children are with the individual or were temporarily absent prior to forced separation. [It is not necessary to verify a separate residence outside the spouse abuse center.

Residence in a spouse abuse center does not, in and of itself, determine eligibility. All other technical and financial factors must be met.]

- B. An abused spouse/applicant chooses not to reside in a spouse abuse center, but rather establishes a safe temporary shelter with family, friends or in a shelter for the homeless; AND
 - 1. The children are with the individual or were temporarily absent prior to forced separation.
 - 2. The applicant can provide one of the following as verification of a forced separation:
 - a. A current restraining order issued due to the abusive situation; or
 - b. [A certification of the existence of an abusive situation made by a DCBS Division of Protection and Permanency (DPP) adult protective worker. All applicants alleging abuse should be referred to the Adult Stability and Safety Branch of DPP for assistance and for certification, if needed.]

Do not verify a separate residence for the abusing spouse until the individual leaves the safe shelter and establishes a permanent residence. This may be a new residence or the former residence, if the abusing spouse has left.

Change the deprivation factor to desertion when the individual moves from the safe shelter or after 30 days have elapsed since separating from the absent parent, whichever comes first.

MS 2365

BIRTH OUT-OF-WEDLOCK

Birth out-of-wedlock exists if:

- A. The parents are not married at the time of the child's birth; or
- B. The woman is married but states that the father is a man other than her husband, and evidence shows that the marital relationship ceased at least ten months prior to the birth; or
- C. The woman is divorced on the grounds that the child was conceived before or during their marriage by a man other than her husband and that she concealed the pregnancy from her husband.

NOTE: Birth out-of-wedlock is not the appropriate deprivation factor in situations where paternity has been established, both parents are living in the home, and either parent is incapacitated or meets the definition of unemployment.

MS 2367

VERIFICATION OF VOLUNTARY ABSENCE

[Policy Clarification](#)

See OMU 04-20, [MS 99674](#), 7/1/04.

[Voluntary absence is the absence of a parent (natural or adoptive) resulting from estrangement if the parent is physically absent from the home. For voluntary absence due to divorce, refer to [MS 2355](#) for situations involving joint custody.]

- A. Verify birth out-of-wedlock at each certification/recertification by accepting client's statement.
 1. Complete a child support referral, if appropriate.
 2. If paternity has been established either administratively or by adjudication, verify absence of the parent according to item C.
 3. If paternity has not been established, do not verify absence of the alleged father.
 4. [If unsure whether paternity has been established, access KASES to determine if the appropriate contracting official has established paternity.]
- B. Verify other types of voluntary absence according to the following procedure:
 1. To determine ELIGIBILITY BASED ON VOLUNTARY ABSENCE, identify the specific absence situation. Explain to the specified relative that all support rights are assigned to the Cabinet but any support currently received must be considered in the determination of the grant. Initiate child support activities outlined in the subchapter, Child Support Program.
 2. VERIFY ABSENCE OF A PARENT at each certification or recertification. In cases of recent desertion (less than 3 months), verify absence in the 3rd month following approval.
 3. In cases with RECENT DESERTION OF LESS THAN 30 DAYS and the applicant comes in ON or BEFORE the 15th day of desertion, the interview is scheduled on the 22nd day of desertion to allow the client time before the expiration of the 30 day standard of promptness to provide names of individuals to confirm absence. If the applicant comes in AFTER the 15th day of desertion, reverify the information given during the application interview, if the interview is conducted prior to the 22nd day.
 4. If the client can provide divorce or annulment documents, has married someone other than the absent parent and is living with this spouse (other than the absent parent), voluntary absence is established. If this information is not provided, voluntary absence is established by:
 - a. Verifying a separate address for the absent parent; or

- b. Verifying the absent parent is not living with the client.
- C. Use one or more of the following sources to help verify absence. You may need to use more than one to verify the absence of the parent. In order to use a source as verification of absence, the source must provide current information.

EXAMPLE 1: [A check of KAMES shows that the absent parent is currently receiving K-TAP, Food Stamp or Medicaid benefits.] This would verify absence.

[EXAMPLE 2:] A check of program 91 obtained an SSN for the absent parent. There is an address shown on program 92; however, the information has not been updated and requires additional sources of verification.

- 1. Post Office;
- 2. Inquiry of computer programs:
 - a. Programs 91/92 - Integrated Client Services Name Register and/or Master file;
 - b. Program 66 - Driver's License File;
 - c. Program 68 - Motor Vehicle Registration file;
 - [d. Program E5 - Integrated Inquiry;
 - e. KAMES; or
 - f.] State Data Exchange (SDX).
- 3. Contact with the absent parent's landlord;
- 4. Court records;
- 5. Absent parent's current or previous employer;
- 6. Relative of the absent parent;
- 7. Probation office records; and
- 8. Law enforcement officials.
- 9. Neighbors;
- 10. School officials;
- 11. Clergyman;
- 12. Employers;
- 13. Doctors;
- 14. Community leaders; or
- 15. Parole officers.

DO NOT use relatives for verification UNLESS there is no one else available. If relatives are used, document the reasons for using relatives.

MS 2371

VOLUNTARY ABSENCE DETERMINATION

If the individual cannot provide names during the interview and no other persons are known to be familiar with the individual's situation, document the reason the individual is unable to comply with the request. Give the individual 7 days to find at least 2 people and to notify the local office of the names, addresses and phone numbers of these people.

- A. Contact the people named by the individual to determine if these people know:
 - 1. Where the absent parent is living;
 - 2. Whether the absent parent is living with the individual; and/or
 - 3. Whether the absent parent is paying support to the individual.
- B. If 2 sources establish the same separate address for the absent parent absence is established.
- C. If a separate address cannot be established, but at least 2 persons contacted indicate the absent parent is not in the home of the individual, voluntary absence exists.
- D. If a separate residence has not been verified, but there is no evidence to indicate the absent parent resides with the individual, absence exists.
- E. If the contacts and resources used by the worker to establish absence do not agree and indicate the parent may not be absent, give the individual the opportunity to provide evidence to verify absence. Eligibility does not exist if this evidence is not provided. Document the case record fully regarding the conflicting information, additional evidence provided by the individual, and the final decision.
- F. Contact the legal absent parent to determine if he/she is currently paying support. At Regional option, form PA-127 may be used to verify payment of child support. Form PA-127 is mailed to the legal absent parent. DO NOT contact or send form PA-127 in the following situations:
 - 1. The legal absent parent is verified (statement from absent parent or verified by DCS) to be currently paying support;
 - 2. The legal absent parent is incarcerated;
 - 3. The alleged father or an absent parent's relationship is established by the administrative establishment of paternity process;
 - 4. The individual is a resident in a spouse abuse center; or
 - 5. The individual has had a good cause claim determined.

If a name match, or any type of match, is found on the absent parent, make sure there is an SSN match prior to forwarding form PA-127 to the absent parent.

- G. When it is necessary to contact an alleged father to verify support, send a letter but NEVER, UNDER ANY CIRCUMSTANCE, reveal the reason for the contact; simply request that the individual contact the worker by phone or letter regarding a matter related to the Department for Community Based Services.

MS 2375

REFERRAL TO DCS

Complete a child/medical support referral to notify DCS for all cases in which the deprivation factor is voluntary absence or birth out-of-wedlock (regardless of the age of the child). [See [Vol. IV, MS 2200](#) concerning medical support enforcement for SSI children.]

Even if the alleged father is deceased, a child/medical support referral is required.

MS 2377

INCAPACITY

[See OM Policy Update 01-16, MS 99564, 8/1/01](#)

Incapacity is any condition of mind or body which makes a parent physically or mentally unable to provide the necessities of life for his/her child.

[A. Incapacity determinations are done for two reasons:

- 1.] To verify the deprivation factor for K-TAP eligibility; or
- [2. To verify Kentucky Works Program good cause. Refer to [Volume IIIA, MS 4720](#).

B.] For K-TAP eligibility based on incapacity, "parent" includes the natural, adoptive and stepparent only if the stepparent meets the definition of second parent. (The incapacitated parent can be either the specified relative or the second parent on the K-TAP case.) The condition must have been present at the time of application and must have continued or be expected to continue for at least 30 days, and may be presumed to continue during a period in which the parent is undergoing diagnostic studies and/or evaluation of rehabilitation potential.

[C.] The condition of incapacity must be such that it eliminates or substantially reduces the parent's ability to provide support and care including homemaking and childcare functions, for the otherwise eligible child. Ability to support and care requires consideration of the parent's age, education, training, and work experience.

[D.] If a member of the assistance unit appears to have a disabling health condition, e.g., quadriplegia, head injury, etc., refer the individual to the SSA utilizing form PAFS-5.1, Report or Referral to the District Social Security Office, to apply for SSI/RSDI benefits.

[E. Incapacity is determined either by field determination (refer to [MS 2381](#)), or the Medical Review Team (MRT) (refer to [MS 2383](#)).]

Guidelines for K-TAP incapacity determinations are separate and distinct from those used by SSA to determine eligibility for SSI and RSDI disability benefits. The fact that an individual is determined by SSA, to be not disabled according to SSI and RSDI standards, in no way affects that individual's right to apply for K-TAP benefits based on incapacity. The processing of an individual's K-TAP application is NOT delayed pending a determination of that individual's RSDI or SSI entitlement.

MS 2379

INCAPACITY DETERMINATIONS

[See OM Policy Update 01-16, MS 99564, 8/1/01](#)

The determination that a parent meets the definition of incapacity results from a careful analysis of medical and social factors. Incapacity is verified either by a finding that the criteria for field determination is met, by presumptive eligibility in a "W" case, or by form PA-6 evidencing approval of incapacity by the Medical Review Team (MRT). [Incapacity determinations are also completed for Kentucky Works good cause reason. See [Volume IIIA, MS 4720](#).]

- A. The determination that a parent is not incapacitated is not made in the field. [If the application cannot be approved using the criteria for field determinations outlined in this subchapter, send a request for incapacity determination to MRT.]
- B. Before the request is sent to MRT, determine if the case meets all factors of eligibility other than incapacity.] If the case is ineligible based on a factor other than incapacity, deny the application based on the specific factor and DO NOT submit medical information to the MRT.
- C. [If the case meets all other eligibility requirements, use the following procedures to request a determination from MRT:
 1. Complete form PA-601T, Referral for Determination of Incapacity or Disability. This information should be completed in as much detail as possible. Forms PA-601T with incomplete documentation will be returned to the caseworker for completion and this will delay the process. Include dates of treatment for all sources listed. This is very important. Oftentimes the date of treatment is left blank or filled out "don't know". MRT requests medical information that is relevant to making a medical decision. If a person was seen by a doctor or at a hospital over one year ago, it is generally irrelevant and MRT does not request that record. If the client cannot remember specific dates, try to pin him to a specific time period such as last month, within the last 6 months, not in the last year, etc. This will be much more helpful than "don't know" or blank.
 2. For redeterminations, or if MRT has made a decision within the past year, send the old PA-601T along with the medical information used for that decision. Interview the client and list only medical sources seen since the last PA-601T was completed. Send the prior MRT records along with this new PA-601T. MRT will have the old information on the previous PA-601T. This will save field staff time and will save MRT from requesting duplicate medical records. MRT uses this as a reference and documentation of medical history. MRT can also see what has been requested in the past to avoid sending duplicate requests to

treating sources. In addition, new forms MRT-15, Authorization to Disclose Information to the Cabinet for Families and Children, must be signed and witnessed for each medical source.]

- [3. If the request for the MRT determination is for a Kentucky Works good cause reason, annotate on form PA-601T that it is for Kentucky Works. This is very important. MRT codes KWP and incapacity cases differently in their computer system. The rationales are worded differently and criteria for making the decision are looked at differently. Under the status section of the PA-601T, there should be an option to check for Kentucky Works.
 4. Obtain the patient's signature on several MRT-15 forms. Have at least one signed form for each medical source, plus at least one extra. These forms must be signed by the patient and witnessed by the caseworker.
 5. Mail form PA-601T and the signed MRT-15 forms with form PAFS-25, Transfer of Case Record or Material, to MRT immediately upon completion. Annotate on form PAFS-25, "For Incapacity Determination" or "Incapacity Determination for Kentucky Works". For redeterminations, remember to send MRT the old PA-6 and medical records used in making that determination as well as the updated PA-601T and signed/witnessed MRT-15 forms with the current date.
 6. Assist MRT if additional clarification or information is needed from the individual. If MRT can reach the individual by phone, they will do so.
- D. If the K-TAP case is denied or discontinued after the request for MRT determination is sent, send form PAFS-628, Exchange of Information, to MRT stating the determination is no longer needed.
- E.] If the client refuses to avail himself of a resource developed to determine incapacity, deny the application due to insufficient information on which to base a decision of eligibility.
- [F.] Once the determination is made, incapacity continues UNLESS there is a change in the condition of the recipient, OR the MRT has requested additional information for a redetermination.
1. If the client returns to work or his/her condition improves and he/she continues to be financially eligible to receive K-TAP, send updated medical information and social data to the MRT for a redetermination. If the client is determined not to be incapacitated, discontinue the "C" case. Explore eligibility in the "W" category or for Medicaid.
 2. If the client returns to work or his/her condition improves, and the client is not financially eligible for or no longer wants K-TAP, take action to discontinue the case. Explore eligibility for Medicaid if client is interested.

MS 2381

INCAPACITY FIELD DETERMINATION

[See OM Policy Update 01-16, MS 99564, 8/1/01](#)

A field determination of incapacity is made for the client if physical inability to work is alleged and:

- A. SSI benefits are received. [This includes receipt based on "Presumptive Eligibility".]
- B. SSI was received during any portion of the 12 months preceding application, provided the SSI discontinuance was due to income or resources and not an improvement in condition. Send medical information to the Medical Review Team (MRT) prior to the next recertification, unless the SSI decision states no reexamination is necessary. If staff cannot determine reexamination status, send a memorandum to the MRT asking if a reexamination is necessary. Include in the memorandum the name, SSN of the client, and the date the client first received SSI.
- C. Individual is age 65 or over.
- D. Individual has been determined to meet the definition of blindness as documented in the "K" case record.
- E. Individual has been determined to meet the definition of permanent and total disability as documented by form PA-610 in the "M" case record.
- F. RSDI, Black Lung, or Railroad Retirement based on disability is received. An individual meets requirements under this criteria if the SSA has established disability but entitlement is pending due to the 5 months duration requirement. The official notification from SSA establishing entitlement at a later date, if viewed by the worker, verifies incapacity.
- G. By presenting, in the event of a hearing, a copy of the "Notice of Favorable Decision" from the Social Security Administration, Bureau of Hearings and Appeals. If benefits are not being received, complete a monthly spot check to establish receipt of benefits. If a check is not received within 6 months, send medical information to the MRT.
- H. Incapacity or disability has been determined by the MRT, Hearing Officer, Appeal Board, or Circuit Court with the decision stating no reexamination is necessary and there is no visible improvement in the condition.
- I. Individual is hospitalized or in an alcohol or substance abuse facility on the date of processing the application and a statement from the attending physician indicates the period of incapacity has or will exceed 30 days. If the application was made prior to admission, the physician's statement MUST indicate if incapacity existed on the application date. ALL hospitalization cases are set up for a spot check as soon as the parent is released.

- J. Receipt of VA benefits based on 100% disability. 100% disability must be verified by a VA award letter.
- K. An individual had surgery which required a period of time for recovery as specified by a doctor's statement. A field determination can be made for up to six weeks. Spot check the case at the end of the 6-week period or the time specified in the doctor's statement if less than 6 weeks. If the individual still claims to be incapacitated, a determination by the MRT is required.
- L. An individual is on approved sick leave from a job and the employer is holding the job for the individual's return. Verify this through the employer.
- M. An individual had an illness or injury which requires a period of time for recovery as specified by a doctor's statement. A field determination can be made for up to six weeks. Spot check the case at the end of the 6-week period or the time specified in the doctor's statement if less than 6 weeks. If the individual still claims to be incapacitated, a determination by the MRT is required.
- N. A woman is deemed to be in a high-risk pregnancy condition. This condition is verified by a doctor's statement and lasts through the pregnancy and the 6-week postpartum period.

MS 2383 MEDICAL REVIEW TEAM (MRT) DETERMINATIONS

[Policy Clarification](#)

[See OM Policy Update 01-16, MS 99564, 8/1/01](#)

The MRT makes all incapacity determinations when a field determination is inappropriate. [The MRT uses medical and social information submitted on form PA-601T, by the worker and medical records that are obtained by MRT. The decision of MRT is forwarded to the field by form PA-6 to document the case decision. MRT also sends a copy of form PA-6 to the client.] Decisions are made by MRT as follows:

- A. Incapacity exists and no further action is required;
- B. Incapacity exists and certain activities should be carried out to enhance the client's personal, social, or job functioning;
- C. Incapacity exists for a time-limited period to permit diagnostic and other activities to enhance or definitely determine employability;
- D. Incapacity cannot be determined on the basis of information as submitted and additional medical information or evaluations (e.g., by OVR, DMS, Comprehensive Care Center, etc.) are needed to provide a basis for final decision;
- E. Incapacity does not exist. Use the comments and reasons shown on form PA-6 to explain to the individual as fully as possible why the incapacity standard was not met and to help the individual understand the basis for the determination.

MS 2387

SOCIAL DATA

[Complete form PA-601T, Referral for Medical Determination, and submit to the MRT. Form PA-601T provides the MRT with social information on the applicant. The MRT will conduct a thorough review of all information provided on form PA-601T prior to rendering a decision. Therefore, it is important that each item on form PA-601T is completed accurately and contains thorough documentation including complete addresses and names of medical sources and dates of last visits.

Determine if the individual has previously been referred to or received services from Vocational Rehabilitation (VR). When services have been received, obtain a summary from the VR counselor for inclusion on form PA-601T.

The MRT will return incomplete forms PA-601T.] Schedule an appointment with the individual, if needed, to gather any additional information that is requested and resubmit the form in a timely manner.

[Supervisors must conduct a random review of forms PA-601T prior to submittal to the MRT to ensure complete information and documentation is being provided.]

MS 2389

SPECIAL EXAMINATIONS

If the MRT schedules a special examination, the worker is notified by memorandum from the MRT. Explain the necessity for the special examination and assist the individual in making needed arrangements.

The Department authorizes payment by form DDS-40. The worker or appropriate supervisor contacts the individual to confirm by telephone, the appointment 24 hours prior to its scheduled time. If after confirmation the worker learns the client cannot keep the appointment, the supervisor contacts by telephone the MRT. The MRT, in turn, notifies the physician. The physician sends reports of special examinations and statement of fee directly to MRT.

MRT notifies the local office of any case action needed as a result of the special examination.

MS 2391

TIME LIMITED DECISIONS

- A. [The MRT, Hearing Officer, or Appeal Board may determine the individual meets the incapacity criteria for such time as considered necessary for specific activities.] In such instances, make a redetermination of eligibility in accordance with instructions contained in the decision and:
 - 1. [Explain to the individual that incapacity is time limited and dependent upon certain actions on the part of the parent;]
 - 2. Provide referrals and assistance necessary to accomplish rehabilitation; and
 - 3. Make a determination of "accessibility of employment."
- B. [To determine whether the individual's limitations and impairments are such as to prohibit him/her from meeting the demands of jobs existing in the county or area, make a referral to:]
 - 1. Comprehensive Care Center for appraisal of the client's capacities and suitability for employment;
 - 2. Department for Employment Services (DES) to determine what job opportunities exist in the county or area having work demands that can be met by the client; and
 - 3. OVR if rehabilitation services have not previously been rendered.
- C. Set up all cases with time-limited decisions for spot checks as frequently as needed to assure compliance with recommended action.
- D. [If the individual refuses to accept or follow through on the plan, discontinue the case due to lack of cooperation. If the individual continues to allege incapacity following the time-limited period, submit all additional findings to the MRT for consideration.]

MS 2393 CONTINUING ELIGIBILITY BASED ON INCAPACITY

Ensure that reexaminations requested by the MRT or form PA-6 are submitted in a timely manner. When the recipient's incapacitating condition improves or the individual returns to normal activities, obtain appropriate social and medical information, and submit to the MRT for a redetermination of incapacity.

- A. Following hospitalization or discontinuance of SSI due to a determination that disability no longer exists, eligibility continues pending certification by the MRT if another field determination is inappropriate and parent continues to allege incapacity.
- B. Request new medical information the 1st day of the month for which form PA-6 from MRT shows the information is due. As specified on form PA-6, send new medical and social information and previous medical and social information to the MRT as soon as newly requested medical information is received. Do NOT request medical information earlier than the first of the month for which the review is requested, since MRT requires current medical records upon which to base the incapacity redetermination.

[If newly requested medical information indicates that the individual is scheduled to be reexamined within the next 30 days, send a memorandum to MRT explaining when the reexamination is due, and advising that all medical data requested on form PA-6 will be forwarded when the results of the reexamination are obtained.] If for any other reason it is not possible to provide new medical data by the end of the month for which redetermination data is required, advise MRT by memorandum, and explain when requested medical data will be forwarded. Send a follow-up memorandum to MRT at least every two weeks until the necessary medical records are obtained and forwarded to MRT.

- C. If a case is denied or discontinued for reasons other than the deprivation factor, the prior MRT decision showing incapacity remains valid unless a redetermination was requested and the redetermination is due or past due.

MS 2395

HEARING/APPEAL BOARD DETERMINATIONS

When incapacity has been established through the hearing or appeal process, follow recommendations of the hearing officer or Appeal Board. At the time of recertification, evaluate previous hearing cases in the same manner as any case of incapacity.

MS 2397

QUALITY CONTROL CASES

When a memorandum from a Quality Control Analyst indicates the redetermination of incapacity is due or past due, prepare form PA-601 and immediately implement follow-up of instructions transmitted on the most recent form PA-6. When transmitting the medical and social reports to MRT enter "Quality Control Case" underlined in red in the upper right hand corner of form PAFS-25. The MRT will submit a copy of form PA-6 giving their decision to the Quality Control Supervisor, who will notify the Quality Control Analyst.

MS 2400

RESOURCES - GENERAL INFORMATION

[Liquid resources only are considered for eligibility determination.

A. Liquid resources are defined as:

1. Cash;
2. Checking accounts;
3. Savings accounts;
4. Stocks/bonds;
5. Money market accounts; and
6. Certificates of Deposit.]

Excluded resources are not considered in determining eligibility.

[B. Verify/document liquid resources at initial eligibility determination, or recertification regardless of amount of liquid resources, and at any time the family's holdings are close to the resource limit or there is indication of receipt or transfer of liquid resources.]

Document case record as to type and amount of resource verified.
Use the first appropriate verification:

- [1.] Savings book or bank statements;
- [2. Stock statement or statement regarding bonds; and
- 3.] Wills, trustee statements.

[C. Consider liquid resources when actually available to the SR or benefit group. Liquid resources are added together to determine if they are within the \$2,000 limit.]

MS 2408

RESOURCE LIMITS

The resource limit is \$2,000 for a family.

- A. [When total countable liquid resources are \$2,000 or less at the time an application or recertification is processed, the case is RESOURCE ELIGIBLE for that month.
- B. When total countable liquid resources exceed \$2,000 at the time an application or recertification is processed, the case is RESOURCE INELIGIBLE.] In this situation, deny the application or send timely notice to discontinue an active case. Initiate recoupment for the ineligible month.
- C. When, during the month of discontinuance or denial, resources are reduced to \$2,000 or less without transferring resources to establish eligibility, this is NOT an ineligible month; therefore, DO NOT recoup. Take a reapplication when a decrease in resources is reported.

MS 2410

EXCLUDED RESOURCES

[See Policy Clarification](#)

Excluded resources are available money, real property, personal property, or other assets not counted in determining eligibility.

- [A.] All resources that are not liquid assets.
- [B.] Gifts or inheritance legally not available until a later date.
- [C.] All resources of an SSI or State Supplementation recipient.
- [D.] Resources of a child excluded from the K-TAP case.
- [E.] Resources of the stepparent, parent or legal guardian of a minor parent, or the spouse of a nonresponsible specified relative.
- [F.] Amount of K-TAP and Kinship Care benefits.
- [G.] Funds in an IRA, state retirement, deferred compensation, etc., during period of unavailability. When these funds become available, count as a resource.
- [H.] Excluded income is also an excluded resource, (e.g., money received from urban renewal assistance, VA benefits for natural children of women Vietnam veterans, etc.).
- [I.] Principal and accrued interest of an irrevocable trust during periods of unavailability including irrevocable funeral trusts.
- [J.] Loans. Verify the loan by a commercial loan contract or form PAFS-73, Verification of Contributions - Loans - Roomer/Boarder Payments. When verification is received exclude the loan amount. If verification is not received, consider the amount as a contribution.
- [K.] Up to \$12,000 to Aleutians and \$20,000 to individuals of Japanese ancestry for payments made by the United States Government to compensate for hardship experienced during World War II (All recipients of these payments are provided with written verification by the U.S. Government.).
- [L.] Payments made from the Agent Orange Settlement Fund issued by Aetna Life and Casualty to veterans or their survivors in accordance with Public Law 101-201 which was retroactive to January 1, 1989.
- [M.] Earned Income Credit (EIC) payments in the month of receipt and the following month.
- [N.] Any payments received from the Radiation Exposure Compensation Trust Fund
- [O.] With Self-Employment/Farming annualized income, the balance of the yearly payment is excluded during each of the months the prorated amount is counted as self-employment income. Resources accumulated by a self-employed person, which are prorated as monthly income, are excluded.

Example: A tobacco farmer, after all expenses, receives \$6,000 for his crop in January and deposits this sum in his bank account until needed for the next year's crop. The \$6,000 is then prorated over a 12-month period and \$500 a self-employment income is considered in the case. The yearly payment (\$6,000) is excluded during the period the

prorated amount is counted (12 months) as self-employment income.

- [P.] K-TAP back payments or SSI back payments made to a K-TAP recipient, who is not ongoing eligible for SSI, are not counted as resources for the month of receipt and the following month. See [MS 2420](#).
- [Q.] Up to \$5,000 in Individual Development Accounts. Refer to [MS 2425](#).
- [R.] Monies held in escrow in connection with the Community Venture Corporate activities. Refer to [Vol. IIIA, MS 4335](#).

MS 2420

COUNTABLE RESOURCES

[See Policy Clarification](#)

Countable resources are:

- A. [All liquid resources, regardless of amounts
- B. All liquid resources of the non-SSI technically excluded parent;
- C. All liquid resources of the sanctioned or penalized individual;
- D. For consideration of alien sponsor's resources, refer to [Vol. I, MS 2049](#);
- E.] Tax refunds;
- [F.] Interest on an excluded resource, other than a trust fund, which is posted to the account and not paid to the client on a periodic basis.
- [G.] The remaining amount of SSI back payments received by a K-TAP recipient who is not ongoing SSI eligible, or K-TAP back payments beginning the second month after the month of receipt. This amount is the amount of the back payment remaining after being excluded for the month of receipt and the following month. EXAMPLE: A back payment of \$6,000 is received in January. The \$6,000 is excluded for January and February. In March, the client had \$4,000 left. The \$4,000 is counted in March.
- [H.] Earned Income Credit (EIC) payments beginning the second month after the month of receipt.
- [I.] Employee's retirement contribution once it is withdrawn.

DO NOT count the current month's income as both income and a resource. For example, if income for the current month is deposited in a bank account, deduct that amount from the account to determine the actual account balance.

MS 2425*

INDIVIDUAL DEVELOPMENT ACCOUNTS

As a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, a new incentive called Individual Development Account (IDA) was established to help families transition from economic dependency to self-sufficiency.

An IDA is a savings account established at an approved financial institution with the assistance of a non-profit organization. The purpose of the IDA is for a down payment on a house, college fund, or establishing a self-employment business.

Non-profit organizations use grant money to establish the IDA agreements with the financial institutions and must provide matching funds to the individual's earned income contributions.

Non-profit organizations will notify the communities they serve of the availability of the IDA or they may contact Central Office or the local DCBS office to request that we notify our K-TAP recipients. If an organization contacts the local office, contact the Eligibility Services Branch through your Regional Office.

The non-profit organization will assist interested K-TAP recipients in setting up the IDA. The IDA must be set up for a qualified purpose and verified by a copy of the IDA savings agreement. A verified IDA is considered an excluded resource, including interest accrued to the account, in determining eligibility for K-TAP. For Food Stamp cases, the IDA can be excluded as long as K-TAP is being received.

A. The following restrictions apply to IDA's.

1. Contributions to IDA's can only come from money derived from earned income. However, the non-profit organizations will match contributions to an IDA Trust Account.
2. There is a \$5,000 limit per family.
3. The IDA must be separate from all other accounts, such as regular savings accounts.
4. A recipient or applicant can not transfer any existing money, such as money currently in a regular savings account, to an IDA.
5. Funds held in an IDA can only be withdrawn for one or more of the following reasons which meet the definition of a qualified purpose.
 - a. Postsecondary Education Expense. Postsecondary educational expenses paid from an IDA directly to an eligible education institution.
 - b. First Home Purchase. Cost of acquiring, construction or reconstruction of a home for a first time home buyer. This includes reconstruction of substandard housing, to repair things related to safety such as safe and sanitary water and

waste water facilities, energy efficiency, and structural improvements such as roof and floor repairs.

EXAMPLE: An individual already owns his/her first home, but the home does not have indoor plumbing. An IDA could be established to install plumbing and a bathroom.

- c. Business Capitalization. Amounts paid from an IDA directly to a business capitalization account which has been established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses.
- B. The amount of the IDA must be verified at each recertification. If the individual's account is close to the \$5,000 limit at recertification, explain to the individual that he/she is responsible for reporting when the IDA exceeds this limit.

MS 2450

[JOINTLY HELD LIQUID RESOURCES

[See Policy Clarification](#)

Jointly held liquid resources are resources owned or held by more than one person.

Determine the amount of a jointly held liquid resource and consider as follows:

- A. Total amount of joint checking/savings account is available to the individual when only one signature is required to withdraw funds unless the other individual is an SSI recipient.

If one or more of the other individuals on a joint account is an SSI recipient, divide the amount by the number of owners and count as available the money which is not an SSI recipient's share.

- B. When more than one signature is required to withdraw funds from a joint checking/savings account, only the individual's share is available.] Share is established by a signed statement from other parties as to the division.

- [C. If liquid resources are held jointly, other than checking/savings accounts, determine individual's share by dividing value by number of owners.] The parent's share is available to the children for whom assistance is requested, regardless of whether the parent is included as specified relative.

- [D.] If the individual states that he/she does not contribute to or withdraw from a jointly held resource, i.e., checking, savings, certificates of deposit or savings bonds, allow the individual the opportunity to rebut the ownership. To rebut, the individual must provide:

1. A written statement regarding ownership, who deposits and withdraws; and
2. A written statement from each of the other account holders which corroborates the individual's statement, unless the account holder is a minor or is incompetent; and
3. Verification that the individual's name has been removed from the account.

Do not consider the resource available starting with the month the individual's name is removed from the account.

- [E.] Consider none available when the parties of the jointly held resource are not willing to release their portion of the resource or one party cannot be contacted for a release of their portion. It must be verified that litigation would be required or is pending (e.g., divorce settlement, probate of will, etc.) to determine to whom a resource

belongs. Spot check monthly or in the month the litigation is expected to be completed.

MS 2490

TRANSFERRED LIQUID RESOURCES

KRS 205.210(3) mandates the equity value of liquid assets voluntarily transferred by an applicant/recipient or a spouse living with the applicant/recipient SOLELY FOR THE PURPOSE OF ESTABLISHING ELIGIBILITY be considered an available resource of the individual.

[For applications, determine whether liquid assets were transferred within the last 24 months. If liquid assets were transferred, document in the case record with the reason for the transfer as stated by the individual.

For recertifications, determine whether liquid assets were transferred since the last recertification. If "liquid assets were transferred, document case record with reason for transfer as stated by the individual.

Effective 5/1/05, KTAP cases with a vendor payment subject to a penalty for transfer of resources will pend on KAMES for a resource check. If the vendor payment is for a level of care that requires a resource check, the questions on KAMES "Has bank and courthouse assets check been done?" will have to be answered and verification will have to be entered before an approval can be made. Appropriate verification codes are original record (OR) or written statement (WS).]

Transfer of a liquid resource does not affect eligibility if the individual presents convincing evidence the transfer was EXCLUSIVELY for a purpose other than meeting an eligibility requirement.

- A. Determine the uncompensated value (fair market value less compensation received) of the liquid resource and add to other liquid resources:
 1. If total liquid resources do not exceed the resource limit, no further consideration is given to the transfer;
 2. If total liquid resources exceed the resource limit and the resource was transferred within the last 24 months at less than fair market value, presume the transfer was for the purpose of meeting eligibility requirements. In this situation:
 - a. Subtract \$2,000 and divide the difference by \$500 to determine number of months ineligible not to exceed 24 months from date of transfer. Any partial month is counted as a whole month.
 - b. Deny or discontinue for the appropriate number of months computed.
- B. For an individual whose eligibility is discontinued or denied, begin the period of ineligibility due to resources with the month of transfer. This period of ineligibility applies to the case in which the children are members, even if the SR changes.

MS 2500

INCOME - GENERAL INFORMATION

Policy Clarification

INCOME is the money received from statutory benefits, rental property, investments, business operations, child support, nonrecurring lump sums, etc., or for labor or services performed by a responsible specified relative, second parent, stepparent, K-TAP child, sanctioned or penalized individuals. Income may be unearned or earned.

Verify and document types and amounts of income at each application and recertification and at the time of a reported change or anticipated change in income. Also, document how the income is considered.

When income ceases, verify lack of income before removing from the case.

A. ROUNDING INCOME

- [1. For UNEARNED and EARNED INCOME, other than self-employment and child support:]

- a. Determine the monthly amount of each income type.
- b. Determine monthly income by multiplying weekly, bi-weekly, or semi-monthly amounts by $4\frac{1}{3}$, $2\frac{1}{6}$ or 2 respectively. Do NOT round cents before adding or multiplying hourly or daily earnings. Round before adding or multiplying weekly, bi-weekly, semi-monthly, monthly, quarterly or annual amounts, and round the results.

Example: An individual works 25 hours per week at \$4.50 per hour. He/she is paid weekly. 25 hours per week multiplied by \$4.50 per hour equals \$112.50 per week. Round to \$113. \$113 per week multiplied by $4\frac{1}{3}$ equals \$489.67 (rounded to \$490).

- c. Round the monthly amount of each earned income type to the nearest dollar (50 cents or more is the next higher dollar).

2. For self-employment income.

- a. Round actual dollar and cent amount of gross income to the nearest dollar. Divide by 3 or 12 months or the number of months in operation, whichever is appropriate, and round the result to the nearest dollar to obtain a monthly amount.
- b. Round actual dollar and cent amount of expenses to the nearest dollar. Divide by 3 or 12 months or the number of months in operation, whichever is appropriate, and round the result to the nearest dollar to obtain a monthly amount.

- c. Subtract the rounded monthly expenses from rounded monthly income, the difference, which is profit.

[3. For child support income, refer to [MS 2610](#) for the rounding procedures.]

B. INCOME is divided into 3 general types; continuing, noncontinuing and anticipated.

1. CONTINUING INCOME is income which will be received on a regular basis, e.g., weekly, monthly, quarterly, semiannual, or annual. This type of income includes, but is not limited to, wages, statutory benefits, pensions, etc.
2. NONCONTINUING INCOME is income which was intended to be a continuing type, such as wages, monthly RSDI, etc., and has been terminated.
3. ANTICIPATED INCOME is money expected to be received in the future, such as child support from DCS, wages.

C. VERIFICATION/DOCUMENTATION

1. Use the following types of documentation for unearned income:

- a. Award letters or verification forms from Social Security;
- b. Job service card;
- c. Company pension statement;
- d. Internal Revenue Service records;
- e. Veterans records;
- f. Railroad Retirement records;
- g. Support orders;
- h. Union records;
- i. IMS Program 39;
- j. College financial aid award letter;
- k. Contract on sale of property;
- l. Bank Statements;
- m. Statement or copy of checks from the noncustodial parent for support payments;
- n. Statement from the person providing income to the individual; or
- [o. KASES.]

2. Use the following types of documentation for earned income:

- a. Pay stubs;
- b. Employer statement or contact;
- c. Contract;
- d. Records maintained by the individual of self-employment income;
- e. Current income tax returns; or
- f. Form PAFS-700, Verification of Income, or form PAFS-121, Irregular Work form.

MS 2510

EXCLUDED INCOME

[EXCLUDED INCOME is income received by the family but not considered in determining gross income.]

Consider the income not available when the parties of the jointly held income are not willing to release their portion of the income or one party cannot be contacted for a release of its portion. It must be verified that litigation would be required or is pending to determine to whom income belongs. Spot check monthly or in the month the litigation is expected to be resolved.

The following is a list of income which is excluded.

- A. Reimbursement for transportation in performance of employment duties, if identifiable;
- B. Kentucky Works supportive services payments including relocation assistance;
- C. Certain Workforce Investment Act (WIA) income. See [MS 2760](#);
- D. Monies distributed to members of certain Indian tribes which are referred to in Section 5 of PL 94-114 that became effective October 17, 1975 or Section 9 of PL 96-420 that became effective October 10, 1980;
- E. [Low Income Home Energy Assistance Program (LIHEAP) payments or other energy payments made to an energy provider or provided in-kind];
- F. Nonemergency medical transportation payments;
- G. [Principal of loans; Verify the loan by a commercial loan contract, form PAFS-73, Verification of Contributions - Loans - Roomer/Boarder Payments. If not verified, consider the amount as a contribution.
- H. All educational grants, loans and scholarships regardless of their use or funding sources.]
- I. All student work study income. Refer to Vol. IIIA, [MS 4217](#) (F) to ensure work study participation is captured;
- J. Highway relocation assistance;
- K. Urban renewal assistance;
- L. Monies received from federal disaster and state disaster assistance;
- M. Home produce utilized for household consumption;

- N. Any funds distributed per capita to or held in trust for members of any Indian tribe under PL 92-524, PL 93-134, PL 94-540, PL 97-458, PL 98-64, PL 98-123, PL 98-124 or PL 100-241 (cash payment not exceeding \$2,000 per year);
- O. Any benefits received under Title VII and Title V, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended;
- P. Payments for supportive services or reimbursement of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides or senior companions, and to persons serving in Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs under Titles II and III, pursuant to Section 418 of PL 93-113;
- Q. Payments to volunteers under Title I (VISTA) of PL 93-113 pursuant to Section 404(g) if less than the federal or state minimum wage (whichever is greater). To determine if the VISTA payment is less than the applicable minimum wage, send a written request to: State Director of ACTION, 600 Federal Place, Room 372-D, Louisville, Ky. 40202;
- R. Any payment made by the Division of Protection and Permanency for child foster care, or under certain circumstances subsidized adoptions (refer to [MS 2302](#)), adult foster care, or personal care assistance;
- S. [SSI including any other income of SSI recipients, an essential person's portion of an SSI benefit and SSI back payments];
- T. Cost of producing income for self-employment;
- U. Any housing subsidies received from federal, state, or local governments even if paid directly to the client;
- V. In-kind income - payments made DIRECTLY to a doctor, pharmacist, landlord, utility provider, etc. by another individual or organization. This includes in-kind Home Energy Assistance (HEA) from private or public organizations or individuals;
- W. The first \$50 of child support. See [MS 2610](#);
- X. The value of USDA donated foods, supplemental food assistance under the Child Nutrition Act of 1966, food assistance provided for children under the National School Lunch Act as amended, and the monthly Food Stamp allotment;
- Y. Income of a technically excluded child;
- Z. Small nonrecurring cash gifts (e.g., Christmas, birthdays and graduation), of \$30 or less but not totaling more than \$30 per month for each member of the assistance group. Refer to [MS 2618](#);
- AA. Income from complementary programs (e.g., education related transportation and school supplies). See [MS 2513](#);

- BB. Up to \$12,000 to Aleutians and up to \$20,000 to individuals of Japanese ancestry for payments made by the United States Government to compensate for hardships experienced during World War II. (All recipients of this income are provided with written verification by the U.S. Government.);
- CC. Payments made from the Agent Orange Settlement Fund issued by Aetna Life and Casualty to veterans or their survivors in accordance to P.L. 101-201 retroactive to January 1, 1989 are not considered as income;
- DD. K-TAP and Kinship Care payments and back payments;
- EE. Income of a legal guardian not included in the K-TAP case, when determining eligibility for a minor parent and his or her child;
- FF. Earned Income Credit (EIC) payments;
- GG. Any payments received from the Radiation Exposure Compensation Trust Fund;
- HH. Americorps educational awards. These awards are paid directly to the institutions;
- II. Payments made to individuals because of their status as victims of Nazi persecution;
- JJ. Income received from temporary employment from the United States Department of Commerce, Bureau of the Census;
- KK. Payments made from Crime Victims Funds in accordance with Section 234 of the Antiterrorism and Effective Death Penalty Act of 1996;
- LL. Loan assistance through the Farm Service Agency (FSA EM) pursuant to Section 321(a) of the Consolidated Farm and Rural Development Act;
- MM. Americorps income that is intended to be used to pay for education, childcare and transportation expenses. Americorps income that is paid as a living expense intended to cover basic needs is counted as earned income;
- NN. Section 401 of the Veterans Benefits and Health Care Improvement Act of 2000, Public Law 106-419, provided for certain benefits for individuals with covered birth defects who are the natural children of women veterans who served in Vietnam during the Vietnam era. There is no age limit for recipients of these benefits. These individuals receive the benefits until they die; and
- OO. Payments from the Tobacco Settlement.
- [PP. Tax Rebate checks.
- QQ. Earnings of an individual under age 20 attending school.

- RR. Earnings of a dependent child under age eighteen who is a high school graduate.
- SS. Interest and dividend income.
- TT. Discounts or subsidies provided to Medicare beneficiaries.
- UU. Cash grants provided by refugee assistance programs.
- VV. Reimbursement payments for an individual participating in the Vocational Rehabilitation Preparing Adults for Competitive Employment program.
- WW. State Supplementation payments and back payments.]

MS 2512

EXCLUDED STUDENT INCOME

- A. Earned income of a K-TAP child or teen parent in school, whether full-time or part-time, is excluded. Earned income of a K-TAP child or teen parent, up to age 18 is also excluded if the child or teen parent has graduated from high school or equivalent. Earned income of the K-TAP child or teen parent in school is NOT considered in the gross income. Earned income of a teen parent up to age 20, who is attending elementary, middle, junior or high school or equivalent program, is excluded. This includes MO3s and MO7s.
- B. [Earned income received by a child from participation in a Workforce Investment Act (WIA) earned income activity, regardless of student status, is excluded.]

MS 2513

COMPLEMENTARY PROGRAM INCOME

Certain assistance from complementary programs may be excluded. Assistance from complementary programs is money received from other public agencies and nonprofit organizations which does not duplicate items included in the K-TAP standard of assistance. [For WIA stipend income, see [MS 2760](#).] The K-TAP standard of assistance includes shelter, food, clothing and utilities.

Complementary program assistance which may be excluded includes but is not limited to assistance for education related transportation and school supplies from other public agencies or nonprofit organizations.

MS 2520

TWO-MONTH EARNED INCOME EXCLUSION

Policy Clarification

[Each adult in K-TAP cases is allowed a one-time exclusion of wages as an incentive to become employed or to improve the employment situation. The purpose of the disregard is to encourage recipients to either obtain employment or make improvements in their employment situation. Improvements include a raise in pay, different job, moving from part-time to full-time, etc.

EXAMPLE: If Amy is working and does not want to use the disregard on her part-time job income, she could use it if she became employed full-time with the same employer.

A 2-month exclusion of wages is applied to the wages of each adult member of an active K-TAP case who begins new employment or increases wages.]

The adult can choose if the exclusion is to be applied to his/her earnings.

EXAMPLE: Sally starts a job. It is only part-time and she remains on K-TAP without using the earned income exclusion. [She wants to save the exclusion for future employment.] Sally gets another job which is full-time. She elects to use the 2-month earned income exclusion.

- A. This exclusion does NOT apply to new approvals with income from employment or new members added with wages.
- B. [When the individual chooses to apply the exclusion, 2 full months of earnings from the new or increased employment are excluded regardless of the amount of income, number of hours, or the type of work. Employment must be reported timely (within 10 days) and must be verified timely (within 10 days of the report) in order to receive the 2-month earned income exclusion.] If the individual fails to verify the income, discontinue the K-TAP case for failure to return verification. [This does NOT count as a 2-month exclusion as the income is not verified or added to the K-TAP case. If the individual provides all the needed verification in the adverse action period and the K-TAP case is reinstated, DO NOT allow the 2-month earned income exclusion of wages.
- C. When the employment is reported, enter the information on KAMES and indicate if the 2-month earned income exclusion is appropriate.] Do NOT delay entering the employment information on KAMES for verification of wages. [Allow the case to pend for verification of wages. If the verification is not received, allow the case to discontinue. If the 10 days allowed for receipt of verification goes beyond cut-off, ensure the "K-TAP Exclude Begin" date is the month the income would affect the case assuming the verification is received.] Use the "K-TAP

Exclude Begin" and "End" fields to show the months the earned income is excluded.

[EXAMPLE 1: Sandy began work October 10th and reported/verified the employment timely. The 2-month exclusion begins November and ends December, if the verification is received and entered before October cut-off.]

[EXAMPLE 2: Sandy began work October 30th and reported/verified the employment timely. The 2-month exclusion begins December and ends January.

Enter wages, self-employment or farm income. [KAMES excludes the income from the IM case for the months indicated and counts it in the FS case accordingly.]

- D. Each active adult member of the K-TAP case is eligible for the 2-month earned income exclusion. This includes sanctioned or penalized adult members of the benefit group, if otherwise eligible for the 2-month earned income exclusion.
- [E.] A teen parent is only eligible for the 2-month exclusion of wages from new employment if he/she is coded the SR (M03) or SP (M04) in the K-TAP case, if his/her wages are not otherwise excluded due to school attendance. Otherwise, a teen parent or a teen child included in a K-TAP case is NOT eligible for the 2-month earned income exclusion. A teen parent age 18 or 19 is considered an adult and is eligible for the 2-month earned income exclusion, if appropriate.
- [F.] The 2 months of earned income exclusion are consecutive, not cumulative.
 - 1. [If the individual quits for any reason (including to take a better job unless there is no break in employment) or is fired from his/her job after only one month of the 2 months of the exclusion has elapsed, this still counts as 2 months.] The individual is not eligible for the earned income exclusion again.
 - 2. If an individual applies the 2-month earned income exclusion to a job and starts a second job, only the income from the first job is excluded. The income from the second job is counted.
- [G.] If an individual chooses to use the 2-month earned income exclusion for one job and then gets a second job, the \$30 and 1/3 or \$30 disregard may be applied to the second job.

EXAMPLE: Gloria uses the 2-month exclusion for her first job. She gets a second job and is still eligible for the \$30 and 1/3 disregard. This disregard can be applied to the income of the second job.
- [H.] When a K-TAP recipient reports employment, review form PAFS-116A, Tracking Log, and previous KAMES earned income screens to determine

if the 2-month disregard has previously been used. KAMES comments must document that the option of the 2-month disregard was reviewed for eligibility. If not previously used, form PAFS-116A and KAMES comments must be annotated to reflect the client's choice.

MS 2600

INTRODUCTION TO UNEARNED INCOME

Unearned income is money from statutory benefits or other sources not earned by direct activity.

Explore the possibility of withheld income information.

Profit from farm or rental income is considered unearned income if there is no direct activity on the part of the individual in producing the income.

MS 2605

STATUTORY BENEFITS

Statutory benefits are monies which are paid due to law and include RSDI, Railroad Retirement, Black Lung, Veteran's pension or compensation, (includes Agent Orange payments issued by the Department of Veterans Affairs, according to P.L. 102-4 enacted on February 6, 1991) Worker's Compensation, Unemployment Insurance (UI), or other pensions. SSI is NOT a statutory benefit.

All individuals are required to apply for or comply with the requirements to receive statutory benefits if potential entitlement exists and the appropriate agency allows the individual to apply. An individual's refusal to explore entitlement results in ineligibility of the entire case. This is true for both "C" and "W" cases. Do not withhold approval or discontinue an active case during the period entitlement is being determined.

Count statutory benefits in determining total income of the K-TAP benefit group as follows:

- A. Designated benefit is gross income available only to a specified individual as designated by award letter, benefit statement, SSA verification forms, IMS Program 39, etc. EXCEPTION: If the benefits are being reduced due to an overpayment, only consider the amount of benefits actually received.

When accessing IMS program 39 to obtain the RSDI benefit amount, use the amount shown as "NET" in the calculation process. "NET" reflects the RSDI amount BEFORE the SMI deduction.

- 1. Count individual shares of all members of K-TAP benefit group.
 - 2. Exclude amount for an individual not in case, unless the individual is the natural or adoptive parent of a K-TAP child included in case.
 - 3. If the payee of RSDI benefits IS NOT in the home, count only the amount actually provided to the beneficiary.
- B. Nondesignated benefit is gross income not assigned to a specified individual. If the benefits are being reduced due to an overpayment, only consider the amount of benefits actually received.
 - 1. When all individuals covered by the benefit are in the K-TAP case, count the entire amount.
 - 2. When all individuals covered by the benefit are NOT in the K-TAP case, prorate the benefit to establish the amount for determining eligibility:
 - a. Divide the total amount of statutory benefit by the number of people for whom the payment is intended. Exclude amount for an individual not in the case, unless this individual is the natural or adoptive parent of a child included in the case.

- b. When the family verifies paying a portion of the benefit to a covered individual outside the home, disregard only the prorated share. If the individual is in another K-TAP or MA case and receives more than the prorated share, consider the prorated amount as income.
- C. Determine the monthly amount of income to be considered in the case in the following manner.
 - 1. If the income is received monthly, use the monthly amount of income.
 - 2. If the income is received on more than a monthly basis (e.g., weekly, bi-weekly, semi-monthly), use the amounts received in the 3 prior calendar months, average, and multiply the average by $4 \frac{1}{3}$, $2 \frac{1}{6}$ or 2 whichever is appropriate, to determine the best estimate of the monthly amount of income.

MS 2610

CHILD SUPPORT AND/OR SPOUSAL SUPPORT

[See Policy Clarification](#)

Child and/or spousal support income is the amount of legally established or voluntary child/spousal support regularly received by the specified relative. Voluntary payments are those amounts made by a legal, alleged, or adjudicated parent when there is no court order for support. All child support is designated for a specific child. Any amount of a military allotment designated as child/spousal support is considered as child/spousal support.

When child and/or spousal support is court ordered, it can be considered as noncontinuing only if terminated by a court order, and months of zero receipt must be verified.

Contact the legal noncustodial parent (NCP) to determine if he/she is currently paying child/spousal support, unless contact might endanger the family. Form PA-127 may be used to contact a legal noncustodial parent. Also, check KASES Inquiry to determine if child/spousal support is paid. [Use the disbursement date on KASES as the date of receipt by the K-TAP recipient.

- A. K-TAP individuals are required to assign all support rights to the Cabinet for Health and Family Services.] This includes support for the spouse and for the child. Spousal support is treated the same as child support. This requirement applies only if the child and spouse are living in the same household and the state is collecting support ordered for the child. The child support and spousal support may be in two separate orders.
 - 1. [Advise the individual, during the initial interview, to forward all support received to the Division of Child Support (DCS) by form PA-124.1 within 10 days of receipt, following receipt of the notice of K-TAP approval.]
 - 2. If the individual is not currently receiving support, advise the individual, during the initial interview, to forward all support received in the future to DCS. Provide the individual forms PA-124.1 and DCS return envelopes for this purpose.
 - 3. Spot check case in the third month after month of approval of initial or supplemental application to determine if the recipient is forwarding support to DCS.

[B.]At application, including a supplemental application, include child support minus the \$50 disregard in computing gross income. [If the household is under the gross income limit, remove the child support from KAMES before the calculation of the application and ongoing

benefits.] The child support income is not considered for ongoing benefit calculation.

To calculate the monthly amount of child support:

1. If representative of the ongoing amount of child support;
 - a. [Manually calculate the total amount of child support for the 3 prior months (do not round) and average the total to get the average monthly amount (do not round).]
 - b. [Deduct the \$50 disregard from the average monthly amount before entering the amount on KAMES.

Example: KASES shows child support paid for the last 3 months in the amounts of \$129, \$135.50 and \$131.75. The 3 months' total is \$396.25. \$396.25 divided by 3 equals \$132.08, the average monthly amount. \$82.08 (\$132.08 - \$50) is entered on KAMES.]

2. If not representative (e.g., received less than 3 months, reduction in amount paid; etc.);
 - a. Use the monthly amount that best represent the ongoing child support income. If a monthly amount needs to be calculated, use $4 \frac{1}{3}$ or $2 \frac{1}{6}$ to get the average monthly amount (do not round).
 - b. Deduct the \$50 disregard from the average monthly amount before entering on KAMES.

Example: The NCP was paying \$40 a week for the past 4 months; however, he is now working less hours and will only pay \$25 a week until his hours increase. Multiply \$25 by $4 \frac{1}{3}$ to get the average monthly amount of \$108.33. \$58.33 (\$108.33 minus \$50) is entered on KAMES.

[C.] Enter the child support as "Other" unearned income under each child for whom the income is paid by the NCP and indicate "IM" program code. If the child support from the same NCP is for more than one child, divide the average monthly amount by the number of children for whom the support is intended. [Round each child's amount in a manner that equals the total monthly amount of support.

If the average monthly amount includes cents (e.g., \$102.50), it is necessary to round the amount to the nearest dollar before determining each child's share. This is due to the fact that KAMES rounds the income at member level as well as at case level.

Example #1: The NCP pays an average monthly amount of \$100, after the \$50 disregard, for 3 children. \$100 divided by 3 equals \$33.33 per child. Round \$33.33 to \$33 and enter on KAMES as "Other" unearned income (IM) for two of the children, and for the third child, round \$33.33 to \$34 and enter on KAMES.

Example #2: The NCP pays an average amount of \$102.50, after the \$50 disregard, for 3 children. Round the \$102.50 to \$103. \$103 divided by 3 equals \$34.33. Enter \$34 on KAMES as "Other" unearned income (IM) for two children and \$35 for the third child.

If the household is under the gross income limit, remove the child support from KAMES before the ongoing benefit calculation.

- D. Document the verification source used, such as KASES screens, written statement from the NCP, check stubs, etc. Document the method used to calculate child support income such as, based on written statement using $4 \frac{1}{3}$ or manual calculations of the last 3 months of income, etc. If a calculator that has a tape is used, include the calculator tape in the case record.
- E.] For active cases, exclude up to \$50 disregard of current month's escrow child support forwarded to the recipient by DCS.

Escrow is an amount of child support held by DCS when certain conditions exist:

1. The court or administratively ordered amount of support, obligation amount, and the support collection in a specific calendar month equal or exceed the K-TAP grant;
2. The voluntary support, which is considered the same as an ordered amount, equals or exceeds the grant amount; or
3. Due to more than one non-custodial parent in the case, a combination of ordered and/or voluntary support exceeds the grant amount.

DCS will advise the local office of the amount of escrow support and the month the support was forwarded to the individual. When an escrow situation occurs, the message "DCSE Escrow Review" appears on the worker's DCSR on KAMES. Access the DCSE Escrow Review Screen (HRKIMB34) from the DCSR. This screen contains the case name, IV-D number, amount of the check and the month. The screen acts like a spot check and posts to an untimely screen if not deleted from the DCSR. The information is posted to KAMES at the first of the month providing the amount of payments disbursed to the client in the previous month.

Escrow support is considered nonrecurring lump sum income unless it can be anticipated to recur month after month. Refer to [MS 2630](#). [If it is recurring or anticipated to recur, determine the best estimate of income which is anticipated to be received. If escrow payments have been received in the last 3 months, manually add the amounts for the 3 months (do not round) and average. Enter the actual average amount on KAMES (do not round). Workers must manually deduct the \$50 disregard before entering the escrow income on KAMES.

- F.] For an ongoing recipient, when recomputing the grant, count nonexcluded support in computing gross income, whether received by DCS or retained by the recipient. If the case passes the gross income test, ONLY count escrow support minus the \$50 disregard or nonexcluded support retained by the recipient in determining the grant amount.

[G.] For recertifications AND subsequent interims requiring recomputation of the grant, use KASES Inquiry to verify child support collections for the prior 3 months. Calculate the average monthly amount using the procedures in items B. 1 and 2. If the case is ongoing ineligible, determine eligibility for MA. See [Vol. IV, MS 3050](#). If gross income eligible, compute grant counting ONLY support retained by the recipient or regular escrow support minus the \$50 disregard. [Enter on KAMES using the procedures in item C. Use the disbursement date on KASES as the date of receipt.]

[H.] Support payments received for the child who is a specified relative are counted as contributions in the child's K-TAP case, regardless of who receives the payment. See [MS 2615](#).

[I.] If the specified relative, who is the only member of the K-TAP case due to the only eligible child receiving SSI, receives child support for that child, the child support is not forwarded to DCS and is not considered in the K-TAP budget. It is excluded income as the support is for the SSI child. Medical Support Enforcement activity is pursued for this SSI child by setting up a "B" or "D" case. Refer to [Vol. IV, MS 2200](#).

If the specified relative is the SSI child's parent and receives spousal support, the spousal support is not forwarded to DCS. The spousal support is considered in the K-TAP budget as a contribution. See [MS 2615](#).

MS 2615

CONTRIBUTIONS

[See Policy Clarification](#)

- A. Contributions are cash received from any source, which is anticipated to recur, including:
 - 1. Money from a parent involuntarily absent from the home;
 - 2. Child support received by or for a child who is the specified relative in a case;
 - 3. [Spousal support received by a parent who is the only member of the K-TAP case due to the only eligible child receiving SSI;
 - 4. Any amount of a military allotment NOT designated by the non-custodial parent as child/spousal support;]
 - 5. Any money received from a stepparent or a spouse of a nonresponsible specified relative included in the case who is absent due to military service; and
 - 6. Loans not documented by form PAFS-73, Verification of Contributions - Loans - Roomer/Boarder Payments, form PAFS-124, Student Income Verification Form, or other appropriate verification.
- B. Average the amounts received in the prior 3 calendar months to determine the best estimate of the amount of contribution income to be counted monthly.

MS 2618

CASH GIFTS

[Small nonrecurring cash gifts of \$30 or less, but not totaling more than \$30 may be excluded per month for each member of the assistance group.]

Small nonrecurring cash gifts may include cash gifts for Christmas, birthdays, and graduations.

When a K-TAP recipient reports receipt of a cash gift, take the following action.

- A. Determine the amount of the gift.
- B. If the amount of the gift exceeds \$30, the entire amount is considered as unearned income in the month of receipt.
- C. [If the total amount of the gift and previous cash gifts received in the month for the individual exceeds \$30, consider the excess as unearned income in the month of receipt.] Establish a claim, if appropriate.
- D. [If the amount of the gift does not exceed \$30 and other cash gifts received by that individual in the month do not exceed \$30, exclude an amount not to exceed \$30 for the month.]

MS 2625

TEST BUDGET INCOME

When a stepparent, spouse of a nonresponsible specified relative (SR) included in the case, parent of a minor parent or spouse of a dependent child, is living in the home, income of the individual is considered in determining the eligibility for the K-TAP case.

EXCEPTION: If a STEPPARENT or a SPOUSE of a NONRESPONSIBLE SR included in the case is absent due to active duty in a uniformed service, his/her income is NOT considered. However, if the stepparent or spouse of a nonresponsible SR gives money to the K-TAP family, this is considered a contribution.

Income is first applied to the needs of the individual and his/her dependents. DO NOT include the minor parent, who is included in the K-TAP case, as a dependent. However, if the minor parent is not included in the K-TAP case, the minor parent can be included in the test budget family size. Any surplus is considered available to the K-TAP case.

- A. If a minor parent and his/her spouse is living in the home with the minor's parent, income of the parent or stepparent is deemed to the minor parent. For the purpose of deeming income, a minor parent is considered any person under the age of 18, not married OR married and living in the home with the minor parent's parent or stepparent.
- B. If a dependent child included in a K-TAP case is married and the spouse is living with the dependent child and NOT included in the K-TAP case, the income of the spouse is considered in the same manner as stepparent income.
- C. For a stepparent, exclude any income received prior to the date of marriage or, if common law marriage, the date the relationship was established. Do not consider a sanctioned individual in the stepparent family size.
 1. When a minor parent lives with a stepparent, the surplus of the stepparent's income is considered available to the K-TAP case.
 2. When a minor parent lives with a parent AND a stepparent and both have income:
 - a. Determine the stepparent's surplus available to the parent;
 - b. Consider the stepparent surplus as income to the parent;
 - c. Consider the surplus from the parent available to the K-TAP case of the minor parent.
 3. If only the stepparent or parent has income, determine the surplus by counting everyone, except members of the minor parent's K-TAP benefit group, in the family size. Consider the surplus as available to the K-TAP case of the minor parent.

If the stepparent, spouse of a nonresponsible SR included in the case, parent of a minor parent, or spouse of a dependent child REFUSES to provide income verification, deny or discontinue the case.

- D. Consider a nonrecurring lump sum amount as income only in the month of receipt when received by the stepparent, parent of a minor parent, or spouse of a dependent child. Consider any amount remaining in subsequent months as a resource to the stepparent or parent only. [Resources of the stepparent, parent or spouse are not used to determine eligibility of the SR or K-TAP benefit group.] For allowable deductions see [MS 2630](#).
- E. Consider the gross income of the stepparent, spouse of a nonresponsible specified relative included in the case, parent of a minor parent, or spouse of a dependent child and reduce by the following. For a stepparent, spouse of a nonresponsible specified relative included in the case, or spouse of a dependent child the following amounts must have been paid on or after date of marriage.
 - 1. The work expense standard deduction of up to \$90 for full-time and part-time employment. If the earnings are less than \$90, the amount of the earnings is the amount deducted as the work expense standard;
 - 2. Child support or alimony payments actually made to persons not in the home. This amount does not have to be court ordered and may include medical bills or medical insurance;
 - 3. Actual amount paid to an individual not in the home, other than children or an ex-spouse, who is or could be claimed by the stepparent, parent of a minor parent, or spouse of a dependent child as a dependent for federal income tax purposes; and
 - 4. [K-TAP Standard of Need for the family size of the stepparent, spouse of a nonresponsible specified relative included in the case, parent of a minor parent and/or spouse of a dependent child.]
 - a. If both the stepparent and the parent of a minor parent have income, complete two test budgets. The family size on each parent's test budget would include the stepparent or parent plus his/her dependents living in the home and not in the minor parent's K-TAP case, who are or could be claimed for federal income tax purposes. If only the stepparent or parent has income, complete one test budget counting both parents plus all dependents living in the home not included in the minor parent's K-TAP case.
 - b. DO NOT include a sanctioned individual in the family size.
 - c. An SSI recipient is included in the stepparent family size, although his/her income is not counted.

For self-employment income, refer to [MS 2770](#) and [MS 2773](#) to determine the profit or net income. After reducing the income of the stepparent, spouse of a nonresponsible specified relative included in the case, parent of a minor parent, or spouse of a dependent child, apply any surplus to the K-TAP case.

MS 2630

NONRECURRING LUMP SUM INCOME

[Policy Clarification](#)

A nonrecurring lump sum is income that does not occur on a regular basis and does not represent accumulated monthly income received in a single sum. Examples of nonrecurring lump sum income are severance payments, money received from insurance settlements, gifts, inheritances, lottery winnings, noncontinuing proceeds from bankruptcy proceedings, etc.

A. The following payments are not considered lump sum income:

1. Backpayments of accumulated monthly income from RSDI, UI, Worker's Compensation, child support, etc. are NOT considered as lump sum income. Consider backpayments from these sources as income in month of receipt and any remaining amount as a resource in the following months.
2. A Federal or State Income Tax Refund is a countable resource, NOT lump sum income.
3. If the lump sum is from accumulated annual leave, it is considered continuing earned income in the month received, not a nonrecurring lump sum.
4. Income from the sale of property, including initial or down payment from a land contract sale, IS NOT a nonrecurring lump sum income. Refer to [MS 2640](#).
- [5. Lump sum COLA payments received as a result of an error in calculations by the Social Security Administration are excluded from consideration.]

B. Income is considered available both when actually available and when the applicant or recipient has a legal interest in a nonrecurring lump sum and has the legal ability to make such sum available for support and maintenance.

Example 1: Emily Strong receives K-TAP for her two children, Janet and Joe. A \$5,000 settlement is received from an accident in which Janet was involved. Emily tells her attorney she wants \$2,500 set up in a trust and the rest to purchase certificates of deposits. In this example, Emily has control over the settlement and therefore a legal interest and ability to make this money available for maintenance. This lump sum would be countable.

Example 2: Paula Weak receives K-TAP for her child Susie. Susie was involved in an accident and received a \$5,000 insurance settlement. The court ordered the \$5,000 be set up in a trust for Susie until she reaches her 18th birthday. In this example, Paula has no control of the money and no legal interest. This lump sum would be excluded until the child's 18th birthday.

- C. Determine if any of the lump sum is earmarked and used for the purposes for which it is paid (e.g., money paid for back medical bills resulting from accidents or injury, funeral and burial costs, replacement or repair of lost or damaged resources, designated attorney fees, etc.)

Verify how the money is spent by receipts, court or insurance records, bills, etc.

- D. Consider the nonrecurring lump sum, minus any amount verified as earmarked and used for the purpose for which it was paid, as income in the month received to determine eligibility.

If eligible, establish a claim for the overpaid benefits from the month of receipt. If ineligible, the case is discontinued and the ineligibility period is determined, unless the lump sum was received by a stepparent or nonresponsible relative who is not included in the case. Refer to [MS 2880-2899](#).

1. If the nonrecurring lump sum amount is for both K-TAP and non-K-TAP children, prorate the amount between the individuals covered and count the prorated share of the K-TAP children as a nonrecurring lump sum amount in the K-TAP case.
2. If a child included in the K-TAP benefit group receives the nonrecurring lump sum income, the income is available to the K-TAP case, even if the child is excluded from the case AFTER receiving the money. If the child is removed from the K-TAP case, and the effective date of the removal is BEFORE the nonrecurring lump sum income was received, the income is not available to the case.
3. If a nonresponsible SR is included on the case and reports receipt of a lump sum and:
 - a. The report is timely, the nonresponsible SR may choose to be removed from the case.
 - (1) If he/she chooses to be removed, recoup the entire grant for the months he/she was on the case. Begin with the month of receipt of the lump sum and end with the month he/she is removed from the case. Do not establish an ineligibility period.
 - (2) If he/she chooses to remain on the case, establish an ineligibility period as appropriate.
 - b. If the report is untimely, the nonresponsible SR does not have an option. Establish an ineligibility period as appropriate.
4. If the stepparent, spouse of a nonresponsible specified relative included in the case, parent of a minor parent, or spouse of a dependent child receives the nonrecurring lump sum amount, use form PA-30A, with the following procedure to determine the net amount countable as surplus income in the month of receipt:

- a. Deduct backpayments actually made from the nonrecurring lump sum amount:
 - (1) For support or alimony payments to individuals not in the home; and/or
 - (2) To individuals out of the home who are or could be claimed as dependents for Federal Income Tax;
 - b. Deduct the Standard of Need for the stepparent OR parent of a minor parent family size only if not deducted from earned and other unearned income.
 - c. The remainder is the net nonrecurring lump sum which is added to surplus income of the stepparent OR parent of a minor parent in the month of receipt.
5. If there is no indication that the escrow income reported on form CSR-41, Notice of Payment of Child Support Collections to Recipient, is ongoing, consider the amount shown less the disregard as nonrecurring lump sum income in the month received to determine eligibility/ineligibility. Form CSR-41 does not contain the form number.

MS 2635

INCOME SUPPLEMENTATION

Income supplementation is money received by the individual from the Office of Vocational Rehabilitation, an income protection plan or hospital confinement policy, etc.

Consider regular monthly income supplementation in determining initial and ongoing eligibility.

- [A.] If the income received monthly is stable, use the monthly amount of income.
- [B.] If the income received monthly fluctuates, average the amounts received in the 3 prior calendar months to determine the best estimate of the monthly income.

MS 2640 PROMISSORY NOTE/MORTGAGE/LAND CONTRACT SALE

If nonnegotiable/nonsaleable, continuing payments on promissory notes, mortgages, and land contracts are considered unearned income to the holder. Promissory notes, mortgages, and land contracts are considered saleable unless specifically prohibited in the agreement. Verify the amount using the contract or written agreement.

A. Both principal and interest parts of the continuing payments on promissory notes, mortgages and land contracts are unearned income, subject to the following deductions:

1. Payments on mortgages, including interest;
2. Actual payments for insurance and taxes.

B. If negotiable/saleable, promissory notes, mortgages, and land contracts are considered resources to the holder in the amount of the equity (value minus indebtedness.)

Example: Mr. Jones sold property to Mr. Smith, on land contract, for \$15,000 with down payment of \$5,000. Mr. Jones (the holder of the land contract) has no debt on the property. Mr. Jones has a resource (equity), in the saleable land contract, of \$10,000. However, Mr. Smith, who bought the property for \$15,000 (value of the property), owes \$10,000. Mr. Smith has a resource (equity) of \$5,000. As payments are made Mr. Jones' equity in the land contract decreases while Mr. Smith's equity increases.

The initial or down payment may be an EXCLUDED OR COUNTABLE RESOURCE. See MS 2470.

MS 2650

OTHER UNEARNED INCOME

[See Policy Clarification](#)

Other sources of unearned income may be miner's benefits, pensions, insurance, annuities, oil leases, mineral rights, spousal maintenance due to one member of a couple being in LTC facility, etc. Payment received when employee's retirement contributions are withdrawn prior to retirement is considered a resource, not income. The retirement contribution was considered as income in the month earned and withheld by the employer. Therefore, when it is withdrawn, it is not counted as income again.

[Interest is unearned income if it is paid to the individual or added to an account, e.g., passbook savings, etc., which is considered a resource.] Interest on a certificate of deposit, etc., is not available until withdrawn.

Determine the monthly amount of income to be considered in the case in the following manner.

[A.] If the income is received on a MONTHLY basis and:

- [1.] The income is stable, use the monthly amount of income.
- [2.] The income fluctuates, average the amounts received in the 3 prior calendar months to determine the best estimate of the monthly amount.

[B.] If the income is received MORE frequently (e.g., weekly, bi-weekly, semi-monthly), use the amounts received in the 3 prior calendar months, average, and multiple the average by $4 \frac{1}{3}$, $2 \frac{1}{6}$ or 2, whichever is appropriate, to determine the best estimate of the monthly amount of income.

[C.] If the income is received LESS frequently (e.g., quarterly), prorate over the period intended to cover. Consider the prorated amount as the best estimate of the monthly amount.

MS 2700

INTRODUCTION TO EARNED INCOME

Earned income is money derived from direct involvement in a work related activity. The sections in this subchapter provide the specific procedures for calculating the best estimate of the monthly income. Information specific to prospective budgeting is found in [MS 2872](#).

Consider sick pay received as earned income if the person is still considered an employee by the employer and the sick pay is received for time off, such as a short term illness. However, sick pay from an outside source, such as an insurance company, is considered unearned income whether or not the recipient is still considered an employee by the employer.

MS 2710

WAGES

Wages consist of salaries received from full-time or part-time employment where taxes are withheld prior to the individual receiving pay. Odd jobs, occasional, seasonal or contract employment are included when taxes are withheld prior to receipt of the income. Exclude from wages reimbursement for transportation in performance of duties, if identifiable.

- [A.] Accumulated annual leave is considered as wages in the month the money is received with appropriate deductions allowed. If income is received as backpayment from employment or severance pay, see [MS 2630](#).
- [B.] Consider living allowances (stipends) paid by programs established under the National and Community Services Trust Act of 1993 (such as Americorps) as earned income and apply earned income disregards as appropriate.
- [C.] Consider VISTA payments that equal or exceed the federal minimum wage or the state minimum wage, whichever is greater, as earned income. Allow deductions as appropriate. To determine if the VISTA payment equals or exceeds the applicable minimum wage, send a written request to: State Director of ACTION, 600 Federal Place, Room 372-D, Louisville, Ky. 40202.
- [D. DO NOT deduct garnishments on salary.
- E. Consider in the following manner:]
 - 1. To determine the estimated monthly income, verify and use income from all pay periods in the last two calendar months. [If the last two calendar months do not represent the ongoing situation (e.g., sick leave, holiday plant closing, etc.), use information available which best indicates the K-TAP assistance unit's ongoing income.]
 - 2. If the income in the prior two months is NOT representative of the ongoing situation due to a change of circumstances which occurred or will occur, calculate the best estimate of the monthly income in the following manner:
 - a. [If the change in circumstances results in change in the number of hours to be worked, multiply the number of estimated hours per pay period, using employer's statement, by the current pay rate for the period and convert.
 - b. If the change in circumstances results in a change in the pay rate, multiply the number of hours worked per pay period in the prior two months by the new pay rate. Divide the result

by the number of pay periods in the prior two months and convert.

3. If the income has recently begun or the recipient changed jobs and the recipient has not received two calendar months of income, anticipate the monthly income by computing an amount based on:
 - a. The hourly rate multiplied by the estimated number of hours to be worked during the pay period and convert; or
 - b. The daily rate multiplied by the number of days to be worked in the pay period and convert.
4. [If the recipient reports that the income is ending:
 - a. Determine the last date the recipient will receive the income.
 - b. Recalculate the case based on the income amount to be received, and authorize a supplemental payment, as appropriate. Refer to [MS 2877](#).

EXAMPLE: Sally reported in November that her job is ending 11/29 and that she will receive one pay check in December. If the report is received before the November cutoff, adjust the December K-TAP payment counting only the one paycheck anticipated for the December payment month and then remove the income for January.

If the report is received after the November cutoff, remove the income effective January and issue a supplement for December based on the actual amount of the paycheck received in December.]

- F. [Document the reason less than the last two calendar months of income was used in the calculation, method of verification, and how the monthly amount was calculated. If the estimated income DOES NOT accurately reflect the anticipated ongoing circumstances, spot check the case and recalculate the income utilizing verified income. However, if the estimated income accurately reflects the anticipated ongoing circumstances, recalculate the best estimate at recertification.]

MS 2715

TIPS

[See OM Upd. No. 06-26, MS 99745, 10/1/06](#)

[See Errata to OM Upd. No. 06-26, MS 99745, 10/1/06](#)

Countable tip income is monies actually received in addition to wages for services performed by the employee. Countable tip income does not include the allocated or tip credit reported by the employer for tax purposes which may appear on the paycheck stub.

- A. [Verify tips by using the individual's daily tip log of actual tips received. A tip log is any record kept by the individual of tips received each day.] Entries on the log must show date of receipt and amount. DO NOT use the allocated tip or tip credit amount shown on the paycheck stub.

[For applications or new tip income when a daily tip log is not available, use the individual's statement of anticipated tips.]

When tip income is reported, advise the individual of his/her responsibility of maintaining a daily tip log for verification purposes.

- B. Consider the tips in the following manner.]

1. To best estimate the monthly amount of tips, use the same time period used in determining the monthly amount of wages (e.g., if the best estimate of income is determined by using the prior 2 calendar months' wages, then use the prior 2 calendar months' amount of tips shown on the daily tip log). Convert the daily tips to weekly, bi-weekly, semi-weekly, etc.

Example: [Joni works at Jerry's Cafe and is paid each Friday. A daily tip log is kept by Joni.]

For September, the pay periods ended 9/3, 9/10, 9/17 and 9/24. Add the tips for each day in the pay period to obtain the weekly amount: 8/30 - \$6.00; 8/31 - \$6.55; 9/1 - \$9.75; 9/2 - \$9.10; 9/3 - \$10.50. Added together, they equal \$41.90 (round to \$42.00) for the 9/3 pay period. Average the tips for this weekly pay period and the other weekly pay periods and convert to a monthly amount.

2. Add the best estimate of amount of monthly tips to the best estimate of the monthly wages.

MS 2730

CONTRACT EMPLOYMENT

Contract employment is income from jobs in which there is a contract/payment agreement, e.g., school teachers, bus drivers, house painters, etc.

[Consider income from contract employment in the following manner.]

- A. When the individual has a contract/payment agreement, compute gross monthly wages by dividing the contracted/agreed upon amount by 12, and round to the nearest dollar, unless the contract/payment agreement states income will be paid for fewer months.

1.] If the contract/payment agreement states the income will be received in fewer than 12 months, divide the contracted agreed upon amount by the number of months in the contract/payment agreement and round to the nearest dollar.

[2. If the contract/payment agreement states the income will be received monthly for 12 months and the individual requests the remainder of the pay in a lump sum prior to the end of the 12 month period, continue using the annualized figure for the remainder of the 12 month period.

3.] DO NOT recompute based on monthly fluctuations in income. However, reported losses in income due to unpaid sick leave or snow days that are not made up and that lasted 30 days or more, are taken into account by reducing the annualized monthly income over the remaining months of the contract by the reported income loss due to unpaid leave.

EXAMPLE: \$2400 was the original contract amount and the monthly income was \$200. [\$200 was lost due to sick leave which lasted 34 days.] There are 5 months left on the contract. Reduce the \$1000 (\$200 x 5) by \$200, leaving \$800. Divide \$800 by the remaining months, 5. \$160 is counted per month for the remainder of the contract.

- B. If contract employment is self-employment, consider as self-employment income (e.g., contract to paint house, install roof, etc.).
- C. Prorate other contract employment over the life of the contract (e.g., individual does work on a contract basis for a company).
- D. Spot check the case for the last month of the contract. Remove the income for the next payment month.

MS 2735

COMMISSIONED EMPLOYMENT

Commissioned employment is income received as a percentage of the money taken in on sales, e.g., real estate, Avon, Tupperware, etc. This income may be either wages or self-employment.

- A. [If the commissioned income is wages, refer to [MS 2710](#) for the computation of the monthly income.]
- B. For self-employment income, to compute the best estimate refer to [MS 2770](#).

MS 2740

OCCASIONAL/SEASONAL EMPLOYMENT

[Occasional employment is income from working an irregular schedule, e.g., odd jobs, jury duty, temporary or sporadic employment, etc. For jury duty pay, exclude any reimbursement for related expenses, e.g., lunch and transportation.] Odd jobs could include mowing lawns, housecleaning, baby-sitting, etc.

Seasonal employment is income from employment during a limited period each year, e.g., working at race track or tobacco warehouse.

Income from both occasional and seasonal employment can be either wages, if taxes are withheld by the employer, or self-employment if no taxes are withheld.

[Consider occasional or seasonal income in the following manner.]

- A. For occasional or seasonal income which is considered wages, refer to section Wages of this subchapter in determining the best estimate of earnings for the payment month.
- B. [For occasional or seasonal income which is considered self-employment, refer to [MS 2770](#) in determining the best estimate of earnings for the payment month.]
- C. For seasonal employment income which is considered wages, spot check next year before anticipated period of seasonal employment.

MS 2760 [WORKFORCE INVESTMENT ACT (WIA) INCOME

[See Policy Clarification](#)

WIA income is payment received through participation in WIA and includes such programs as Summer Youth Employment and Training Program (SYETP) and Job Corps.

Verify WIA participation with appropriate agency and document the agency contacted.

Consider WIA income as follows:]

A. For K-TAP children:

1. [Exclude all unearned WIA income.
2. Exclude earnings received by a child, regardless of student status, from participation in any WIA earned income activity. WIA activities from which earned income may be derived include, but are not limited to, Internship, the Work Experience Program, Limited Work Experience Program, Tryout Employment Program or SYETP.]
3. Exclude "needs-based payments", (e.g., money provided to cover lunch and transportation).
4. [Exclude emergency type assistance provided by WIA, (e.g., payment to provider or child to replace glasses).]
5. Exclude reimbursement for transportation.
6. Exclude payments made for but not to client, (e.g., books for vocational school, bus fare).

B. For K-TAP specified relative or second parent:

1. Exclude payments made for but not to the client, (e.g., emergency type assistance, books provided for vocational school, bus fare).
2. Exclude reimbursement for transportation.
3. Count all payments received from Job Corps as earned income.
4. [Count WIA stipend income as unearned income.
5. Count money received through employment as earned income.
6. Count all other WIA income according to income policy.]

C. Determining the Amount of Countable WIA Income:

1. WIA earnings are considered as specified above.
2. For WIA stipend income, to determine the amount of countable income, an additional calculation is necessary.
 - a. Determine the "best estimate" of the WIA stipend income.]
 - b. Determine the difference between the Standard of Need and the Maximum Payment.
 - c. [Subtract the difference between the Standard of Need and the Maximum Payment from the best estimate of the WIA income.

- d. The result is the countable amount of WIA income which is entered as unearned WIA income.]

EXAMPLE: A client and her 2 children receive K-TAP. [The client attends a WIA training and is paid a \$3 per hour stipend.] The client receives \$90 per week. After conversion, the "best estimate" is determined to be \$390 per month.

The maximum payment for 3 members is \$228. The Standard of Need is \$526. The difference is \$298. The \$298 is subtracted from \$390 (total stipend) resulting in a \$92 remainder. [The amount of countable unearned income from the WIA stipend is \$92.

No income other than a WIA stipend is treated in this manner.]

MS 2770

SELF-EMPLOYMENT INCOME

[See Policy Clarification](#)

[See OM Upd. No. 06-26, MS 99745, 10/1/06](#)

[See Errata to OM Upd. No. 06-26, MS 99745, 10/1/06](#)

[Self-employment income is income derived from farming, small business enterprise, rental, roomer/boarders, selling blood etc., where taxes are NOT withheld PRIOR to the individual receiving pay. When taxes are withheld prior to the individual receiving pay, the income is considered wages.]

- A. Self-employment can be either ongoing or occasional.
 - 1. [Ongoing self-employment is where the individual intends to work at the self-employment month after month.]
 - 2. Occasional self-employment includes seasonal, temporary, sporadic or odd job income. Temporary or sporadic employment can include lawn mowing, house cleaning, babysitting, selling scrap metal, selling blood, etc. which is not continuous in nature.
- B. [Verify by:]
 - 1. Quarterly estimated tax returns, if filed;
 - 2. Most recent annual income tax return if quarterly return is not filed; or
 - 3. Records maintained by individual if self-employment income is not reported on income tax return.
- C. [Consider profit or net income from self-employment and enter in the assistance plan.] To determine profit, deduct actual work expenses directly related to producing the goods or services and without which the goods or services could not be produced.
 - 1. Farm or rental self-employment income may be either unearned or earned.
 - a. Unearned.
 - (1) Profit from farm income is unearned income if there is no direct involvement in farming activities. [In cases of divided ownership, divide total profit (net income) between the owners, unless by mutual consent entire proceeds are available to the individual.] If the Social Security Administration considers all farm income as available to the SSI parent, do not enter income from this source in the assistance plan.

- (2) [Profit from rental income is unearned income if all activity is performed by someone other than the individual.]

b. Earned.

- (1) Farm income is earned self-employment income if derived from active physical engagement or managerial responsibility in farming. In such instances, it is subject to earnings deductions. Consider profit as income to the family group if the farming is done by one or more of its members. If the farming is done in part by a household member not included in the assistance plan, deduct his/her prorated share from profit.
- (2) [Rental income is earned self-employment income if the individual personally collects the rent, makes, supervises or authorizes repairs, manages the property, is responsible for renting property or gives other services in relation to the property. Consider profit from rental property owned or being purchased by the individual.]
- (3) The sale of blood or plasma is earned self-employment income.

D. COMPUTING MONTHLY INCOME.

1. [When using the annual U.S. Individual Income Tax Return, if one is filed and representative of the current situation, or the individual's business records for the last 12 months:]
 - a. Round the gross income to the nearest dollar.
 - b. Divide the rounded gross income by 12 and round to the nearest dollar to obtain the monthly gross income amount.
 - c. Round the allowable expenses to the nearest dollar.
 - d. Divide the rounded allowable expenses by 12 and round to the nearest dollar to obtain the monthly allowable expenses.
 - e. Subtract the rounded monthly allowable expenses from the rounded monthly gross income to obtain the monthly profit.
2. When ongoing nonfarm self-employment income has been in operation for less than 12 months:
 - a. Round the gross income for the number of months the activity has been in operation to the nearest dollar.
 - b. Divide the rounded gross income by the number of months of operation and round to the nearest dollar to obtain the monthly gross income amount.
 - c. Round the allowable expenses for the number of months of operation and round to the nearest dollar.
 - d. Divide the rounded allowable expenses by the number of months of operation and round to the nearest dollar to obtain the monthly allowable expenses.

- e. Subtract the rounded monthly allowable expenses from the rounded monthly gross income to obtain the monthly profit.
- 3. For occasional or seasonal self-employment:
 - a. Round the gross income for the 3 previous months to the nearest dollar.
 - b. Divide the rounded gross income by 3 and round to the nearest dollar to obtain the monthly gross income amount.
 - c. Round the allowable expenses for the 3 previous months to the nearest dollar.
 - d. Divide the rounded allowable expenses by 3 and round to the nearest dollar to obtain the monthly allowable expenses.
 - e. Subtract the rounded monthly allowable expenses from the rounded monthly gross income to obtain the monthly profit.
- 4. The self-employment income is recalculated at:
 - a. 12-month intervals if the activity has been in operation for 12 months or more; or
 - b. The next IM or FS recertification, whichever comes first, if the activity has been in operation for less than 12 months.
- 5. If income from self-employment fluctuates, continue using the averaged amount based on tax return. If self-employment income changes from one type to another, the prior tax return is no longer used.
- 6. [When an individual reports he/she is no longer self-employed, the income is removed in the next payment month.]

MS 2773

FARM BUSINESS/SELF-EMPLOYMENT INCOME

Farm/business income is income obtained from farming activities or from a small business enterprise.

A. Consider farm income as follows:

1. [If the individual's farming is a continuing business, use records, e.g., tax return, client accounts, etc., for the past year to compute the countable income.]
2. If the farming arrangement has changed, e.g., had grown corn, then switched to soy beans, do not consider the income of the past year. Spot check the case for the month the new crop is to be sold. At that time, use the income received from the sale of the new crop to anticipate the income.
3. If this is a new farm or farming activity:
 - a. If the farm or farming activity has been in existence for less than a year and the client has received income from the farm or farming activity, prorate the income over the period of time the farm or farming activity has been in operation. Use the monthly amount as the anticipated income for the next year.
 - b. If the farm or farming activity has not been in existence long enough to receive income, consider no income. Spot check the case for the month the income is to be received. At that time, use the income received to anticipate the income.
4. If farming activities have been discontinued, no income is considered.

B. DEDUCT the following from gross income to determine profit:

1. Wages paid to employees;
2. [Rent when the enterprise is carried on from a site other than where the individual lives;]
3. Interest on a mortgage and taxes, when the enterprise is carried on from a site other than the home;
4. Interest payments on the purchase of capital assets, equipment, etc.;
5. Cost of stock offered for resale;
6. Cost of supplies, including seed, feed, fertilizer, crop insurance, utilities required to carry on the enterprise;
7. Travel expenses directly attributable to the operation of the business enterprise, a mileage deduction equivalent to the rate for state employees if the person uses his/her own private vehicle, but not for transportation to get to the place of the self-employment;

8. Repair or maintenance of equipment and property used in business. DO NOT allow deduction for repairs to home; and
9. Other non-personal items directly related to producing the goods or services, e.g., fuel to operate equipment.

C. DO NOT DEDUCT the following:

1. Personal work or business expenses, taxes, FICA, lunches, etc.;
2. Amounts claimed for depreciation;
3. Prior or current losses;
4. Purchase of capital equipment;
5. Payments on principal for the purchase of property, durable goods, capital assets, equipment, etc.;
6. Entertainment expense;
7. Personal transportation;
8. [Salary or commission paid to the individual by the self-employment enterprise; and
9. Rent, when self-employment enterprise is based in the individual's residence.]

MS 2776

RENTAL/ROOMER/BOARDER INCOME

Rental/roomer/boarder income is received from renting a home, a portion of a home, or providing food only to an individual.

- A. For rent from nonhome property, even from houses which are an excluded resource, deduct the following from gross income to determine profit if identifiable:
1. Property taxes;
 2. Interest on mortgages;
 3. House or building insurance (liability);
 4. Advertising; and
 5. Other valid expenses such as repairs.
- B. For rent from renting or subrenting a portion of the home, (or place of residence) determine deductions as follows:
1. Divide the square footage of the room or portion of the home being rented by the square footage of the home to obtain the rented percentage. [The individual's statement is acceptable verification of square footage.] For example, square footage of rented room = 500; square footage of home = 1500; 500 divided by 1500 = $\frac{1}{3}$ or 33 $\frac{1}{3}$ % (rented percentage).
 2. Annualize cost of the home's utilities, home insurance, property taxes, interest on mortgage, and (if appropriate) rent paid for home, if any. Divide by 12 to obtain the monthly expense. Multiply the monthly expense by the rented percentage to obtain the subrental deductions. For example:

Interest on mortgage	\$1,200
Utilities	800
Home Insurance	300
Property Taxes	+100
	\$2,400 divided by 12 = \$200 monthly costs
\$200 x 33 $\frac{1}{3}$ % = \$66.67 monthly subrental deductions	

- C. Roomer only, determine subrental deduction as in item "B" of this section.

- D. Boarder only, deduct an amount equal to the food stamp coupon allotment for the number of boarders. EXAMPLE: There are 3 boarders. The deduction equals the food stamp allotment of a 3 person household.
- E. Roomer/boarder:
 - 1. Food Deductions:
 - a. Deduct an amount equal to food stamp allotment.
 - b. If roomer/boarder is a member of the food stamp case, do not allow food deduction.
 - 2. Subrental Deduction:
 - a. Compute subrental deduction as in item "B" of this section.
 - b. DO NOT compute the subrental deduction if the roomer/boarder payment is the same as, or less than, the food stamp allotment.

MS 2800 INTRODUCTION TO RATABLE REDUCTION BUDGETING

The method of calculating the K-TAP benefit amount is called "ratable reduction". With ratable reduction, the family's countable income is subtracted from the Standard of Need to arrive at the deficit amount. The "deficit" is multiplied by 55%. The K-TAP benefit amount is either the reduced amount or the maximum payment amount, whichever is less. Families with no income receive the appropriate K-TAP payment maximum. Ratable reduction allows more families with income to be eligible, thus providing an incentive to seek and keep employment.

NOTE: The UIB and the Trade Re-Adjustment (TRA) benefits of a qualifying parent and TANF benefits from another state are not ratably reduced.

MS 2802

STANDARD OF NEED

The Standard of Need is an established amount based on the number of eligible persons included in the grant. This amount is not the payment amount. It is a standard used in the Ratable Reduction calculation. The standard includes amounts for food, clothing, shelter, and utilities.

Do not count the technically excluded/sanctioned member in determining the number of eligible persons.

Standard of Need							
Number of Eli- gible Persons	1	2	3	4	5	6	7 or more
Standard	[\$401]	\$460	\$526	\$592	\$658	\$724	\$790

MS 2808

INTRODUCTION TO PAYMENT DETERMINATION

Total countable income consists of:

- A. [Sum of unearned income for each member including income of a sanctioned/penalized individual, and/or technically excluded parent;
- B. Sum of earned income for each member, each sanctioned/penalized individual, and/or technically excluded parent after allowable deductions;]
- C. Any nonrecurring lump sum; and
- D. [Child support retained by the client or escrow child support forwarded to the client by the Division of Child Support (DCS) minus the disregard. (Refer to [MS 2610](#).)

NOTE: Unemployment Insurance Benefits or TRA received by the qualifying parent in a K-TAP-UP case are NOT ratably reduced. Additionally, Temporary Assistance for Needy Families (TANF) benefits received in another state are not ratably reduced.

There is a Maximum Payment Scale which contains the maximum payments allowable for each family size.]

Maximum Payment Scale							
Number of Eli- gible Persons	1	2	3	4	5	6	7 or more
Maximum	\$186	\$225	\$262	\$328	\$383	\$432	\$482

MS 2825

GROSS INCOME

The GROSS INCOME TEST is completed at each application, every recertification and at those interim changes which require recomputing the assistance payment. Compare total gross income to the gross income scale.

- A. GROSS INCOME is the sum of nonexcluded income, both unearned and earned, before deductions and is the sum of:
1. Total unearned income (including surplus income of the stepparent OR parent of a minor specified relative or spouse of a dependent child. Exclude SSI income);
 2. Nonrecurring lump sum income;
 3. Nonexcluded child support collected by DCS, child support forwarded to the client by DCS due to an escrow situation, or child support retained by the client;
 4. Unearned income of children included in the case (does NOT include earned income of a child in school);
 5. Wages before deductions;
 6. Profit from self-employment;
 7. Gross income of non-SSI technically excluded parents of a K-TAP child; or
 8. Gross income of a sanctioned/penalized individual.

Consider gross income of non-SSI parents in the home even if the parent of a K-TAP child is excluded from the grant. The technically excluded member and the sanctioned individual are not counted in determining number of eligible persons.

- B. The GROSS INCOME SCALE is as follows:

1 person	[\$ 742]
2 persons	\$ 851
3 persons	\$ 974
4 persons	\$1,096
5 persons	\$1,218
6 persons	\$1,340
7 persons or more	\$1,462

- C. If gross income EXCEEDS the appropriate amount on the Gross Income Scale at application, recertification or interim change, the case is ineligible. If a nonrecurring lump sum amount is included, refer to [MS 2886](#) and [MS 2889](#). Determine eligibility for Medicaid.

MS 2840

DEDUCTIONS

[If the gross income test is passed, deduct work expense standard, K-TAP dependent care (except for a month for which a Child Care Assistance Program (CCAP) payment is made), \$30 and 1/3 or \$30 deduction from the earned income of each individual, including sanctioned or penalized individuals, if appropriate.] The \$30 and 1/3 or \$30 deduction is deducted only when certain circumstances exist.

MS 2843

GENERAL RESTRICTIONS

[Do not allow any deductions from earned income for a month in which any of the following conditions exist:]

- A. The income is earned from illegal activities (those prohibited and criminalized under Federal and State law).
- B. The individual voluntarily requests discontinuance of the case and states this request is primarily to avoid receiving the \$30 and 1/3 deduction for 4 consecutive months or the \$30 deduction for 8 consecutive months.
- C. Employment is REFUSED, REDUCED, or TERMINATED without good cause within prior 30 days.

GOOD CAUSE exists only if one of the following conditions is met:

- 1. A definite bona fide offer of employment was NOT made at a minimum wage customary for such work in the community.
- 2. The individual is unable to engage in such employment or training for mental or physical health reasons.
- 3. The individual has no way to get to and from the work site or the site is so far removed from the home that commuting time exceeds 3 hours daily.
- 4. Working conditions at such job or training are a risk to the individual's health or safety.
- 5. The child care arrangement is terminated through no fault of the client.
- 6. [The available child care does not meet the special needs of the child, e.g., physically or mentally disabled child.]
- 7. The parent is temporarily absent from work on approved educational leave.
- 8. The individual is needed in the home to care for another household member who is ill or incapacitated, and there is no other household member available to provide the care.

Only verify good cause if there is reason to doubt client's statement. A good cause determination is not required for an individual "fired" from a job. Document the case record whether good cause exists and why.

- D. The individual FAILED to REPORT new or increased earnings without good cause within 10 calendar days of the day the change in circumstances becomes known to the client. Changes are considered known to the client at the earliest point the change can be verified. (Example: If the client started a job December 1, the client must report by December 11 to be considered timely and receive earned income deductions.

- 1. Good cause exists only if one of the following conditions is met within the 10 calendar days:

- a. [The K-TAP benefit group was the victim of a natural disaster, such as a flood, storm, tornado, earthquake or fire;]
 - b. An immediate family member living in the home was institutionalized or died; or
 - c. The responsible relative and, if different, individual who is employed is out of town the entire timely reporting period.
- 2. If good cause EXISTS, allow the appropriate earnings disregards.
 - 3. If good cause does NOT EXIST:
 - a. Apply the deduction for the ongoing months.
 - b. DO NOT apply the deductions for the report month or prior months when determining if an overpayment exists.

EXAMPLE: The client reports on April 15, that her wages increased effective March 1. She had no good cause as she just forgot to report the change. Recompute the ongoing payment, allowing the appropriate deductions, effective the next administratively feasible month, May. When determining if an overpayment exists for March and April, DO NOT allow the deductions.

If the next administratively feasible month is June, allow the deductions for May.

Only verify good cause if there is reason to doubt client's statement. Document the case record whether good cause exists and why.

MS 2846

WORK EXPENSE STANDARD

[The work expense standard is deducted from the earnings of each individual, including sanctioned or penalized individuals or technically excluded parents, if eligible to receive deductions. Deduct up to \$90 for either full-time or part-time employment including individuals whose income is deemed through a test budget. Refer to [MS 2625](#).] If the earnings are less than \$90, the amount of the earnings is the amount deducted as the work expense standard.

MS 2849

[DEPENDENT CARE DEDUCTION

- A. Allow as a deduction dependent care paid by the responsible or nonresponsible specified relative, including sanctioned or penalized individuals, to retain employment if:
1. Paid for children or an incapacitated adult receiving care, living in the home, AND receiving K-TAP benefits; and
 2. The K-TAP case is not eligible for the Child Care Assistance Program (CCAP). To determine eligibility for CCAP, work the K-TAP case without a dependent care deduction.
 - a. If the K-TAP case would be ineligible without the deduction, allow the dependent care deduction and do NOT refer for CCAP at the option of the individual;
 - b. If the K-TAP case is ongoing eligible without allowing the dependent care deduction, a referral is made for CCAP. If a K-TAP grant is less than \$10, a referral for CCAP can be made; or
 3. CCAP will not pay for the child care if the provider is living with the K-TAP family even if the K-TAP case is eligible for CCAP.

CCAP must be used in lieu of a dependent care deduction if the K-TAP case remains eligible without the dependent care deduction. Refer to [Volume I, MS 1100](#) to [1125](#) for additional information concerning CCAP.]

B. RESTRICTIONS.

1. [Dependent care for a child 13 years of age or older is not allowed unless the individual requests such care, provides a statement of the reason this care is necessary, and the worker's determination concurs with the reason. Care for any child 13 years of age or older is to be thoroughly documented in the case record. This documentation includes the individual's request, the individual's statement as to the reason the care is requested, and the worker's decision.
2. DO NOT consider the amount paid for dependent care as a deduction if paid to a person residing in the household and that person is:
 - a. A member of the K-TAP assistance group;]
 - b. A parent of the child or incapacitated adult; or
 - c. A stepparent of the child.
3. [Consider dependent care as a deduction in the budget if paid to an individual in the household who is not listed above or paid to anyone outside the home.
4. If both parents in a UP case are employed, a child care deduction may be given for only one parent's income.

5. If one parent is participating in Kentucky Works while the other parent is employed, child care is allowed as a deduction from the employed parent's wages, not to exceed the maximum allowable deduction, unless otherwise paid by CCAP.
6. A dependent care deduction for a child may not be given for a month for which a CCAP payment is made for the same child.
7. A dependent care deduction is NOT given for any copay required by CCAP.

C. VERIFICATION.

1. To consider the cost of dependent care in the computation of the ongoing payment, verify the child or adult is being cared for by a provider and the actual amount the provider is paid.
 - a. If the individual is starting a job or a new dependent care arrangement, verify the anticipated expenses through a statement from the provider who will be caring for the individual.] Based on the statement of anticipated expenses, allow the deduction for the dependent care.
 - b. [If CCAP eligibility ends and the dependent care deduction is to be allowed in the K-TAP grant calculation, verify the dependent care expense.
2. The individual is required to secure or assist in verifying, establishing, or providing all necessary information which is pertinent to the case decision.
3. If the individual fails to provide verification of dependent care expenses, the case is processed without the deduction.

C. LIMITS.

Deduct the best estimate of the monthly amount paid for dependent care per child or incapacitated adult rounded to the nearest dollar, not to exceed per individual:]

1. For an individual age 2 years and over:
 - a. \$150 for part-time employment, less than either 30 hours per week or 130 hours per month or not employed throughout the month; or
 - b. \$175 for full-time employment, 30 or more hours per week or 130 or more hours per month.
2. For an individual under age 2 years, \$200 for full-time or part-time employment.

D. CONSIDERATION.

Determine the best estimate of the monthly amount, as follows:

1. If the dependent care costs and provider has not or is not anticipated to change, use the amount of the costs for the prior 2 months for wages, or 3 months or 12 months for annualized when an income tax return is used, for self-employment income.

[EXAMPLE 1: Georgia works at her beauty salon 4 days a week and pays child care for a 3 year old.] Her tax return shows a \$1,800 child care costs for the year. Divide \$1,800 by 12 which equals \$150 a month.

EXAMPLE 2: [Helen worked at a drugstore and paid child care of \$135 and \$145 in the prior 2 months.] She pays child care on a monthly basis. Average the prior 2 months, \$280 divided by 2 equals \$140, for the best estimate of the monthly cost.

2. If the dependent care costs in the prior months do not reflect the ongoing costs due to a change in the dependent care arrangement:
 - a. Estimate the new costs on the new provider's statement; or
 - b. If only the rate changed, estimate the dependent care costs using the prior 2 months' number of hours, days or weeks, whichever is appropriate, dependent care was required multiplied by the new rate. Convert to a monthly amount.

EXAMPLE: [Alma paid \$8 per day for child care. The child care is increasing to \$9 per day. She pays the child care weekly and her wages are paid weekly.] She worked the following days in the prior two months.

Month 1 - 4 days	Month 2 - 4 days
3	5
4	3
5	3
16 days	15 days

31 total days multiplied by \$9 per day equals \$279. Divided \$279 by 8 weeks which equals \$34.88 average weekly cost. Multiply \$35 by 4 1/3 to obtain the best estimate of the monthly costs, which is \$152.

- E. Document the method of verification and computation of the best estimate of the monthly dependent care costs. [The best estimate is derived by computing dependent care expenses for the same time period used in the computation of the best estimate of earnings.
- F. Advise the individual about CCAP. See [Volume I, MS 1100-1125](#) for information on CCAP.]

MS 2855

TIME-LIMITED DEDUCTION

Two distinct time-limited deductions are allowed if appropriate. [The \$30 and 1/3 deduction is given for 4 months unless otherwise stated; the \$30 deduction is given for 8 consecutive months.

An individual is eligible to receive 4 months of the \$30 and 1/3 deduction. Once the individual has received the \$30 and 1/3 deduction for 4 months, the deduction cannot be allowed again until the individual has obtained new employment or the case is correctly discontinued and reapproved.]

If the K-TAP case becomes ineligible due to the expiration of the \$30 and 1/3 deduction or the \$30 deduction, explore eligibility for Transitional Medical Assistance (TMA). For TMA, refer to [Volume IV, MS 2900-2920](#).

Subtract the \$30 and 1/3 deduction or the \$30 deduction from the earned income of each individual included in the K-TAP case, if appropriate.

The \$30 and 1/3 or \$30 deduction is NOT transferable between states.

- A. Do NOT allow the \$30 and 1/3 deduction or \$30 deduction for:
 - 1. A technically excluded parent;
 - 2. The application month, when computing an overpayment and earnings present at time of application were not reported. [This month is considered one of the 4 consecutive months for which the individual would have been eligible if the earnings had been reported.
 - 3. Any situations listed in [MS 2843](#); and
 - 4. [A case where the time-limited deductions have expired or have been used due to penalties.
- B. If the individual reapplies and the K-TAP case was closed for reasons other than those listed in [MS 2843](#), begin the 4 months of \$30 and 1/3 deduction again. This is done even if the reapplication is made within the 8 consecutive months of the \$30 deduction.]

MS 2857

\$30 AND 1/3 DEDUCTION

A \$30 and 1/3 deduction month is any month where \$1 or more income remains after allowing the work expense standard. If no income remains after the work standard expense is deducted, the month is NOT a \$30 and 1/3 month. The \$30 and 1/3 deduction is applied for each individual with earned income.

- [A.] The first month of the \$30 and 1/3 deduction for an active case is the payment month earnings should have been considered but were not, due to those circumstances in which restrictions apply even though no \$30 and 1/3 deduction is allowed.
- B.] The first month of the \$30 and 1/3 deduction for an ineligible case is the first month earnings were received, even if no \$30 and 1/3 deduction is allowed.
- [C.] Each additional month of the \$30 and 1/3 deduction for an eligible case is a payment month in which the \$30 and 1/3 deduction is allowed or a payment month in which the \$30 and 1/3 deduction is not allowed due to circumstances for which restrictions in this section apply.
- [D.] An individual is eligible to receive 4 months of \$30 and 1/3 deduction.

If the individual fails without good cause, to report the earnings timely, the \$30 and 1/3 is not allowed for one month; however, it is counted as a month used.

If the earnings are not reported at all, or the report was untimely, without good cause, for more than one month, the \$30 and 1/3 count starts with the month the job began; however, the deduction is not allowed.

When the individual loses employment, the 4 months of the \$30 and 1/3 deduction starts over again when the individual regains employment.

If the individual has received the \$30 and 1/3 deduction for the appropriate time period, remove the deduction and do not allow again until the individual has obtained new employment or the case is correctly discontinued and reapproved.

Indicate on form PAFS-116, Supplement A, Monthly Tracking Log, each month in which the \$30 and 1/3 deduction is applied.]

MS 2859

\$30 DEDUCTION

Following removal of the \$30 and 1/3 deduction, each of the next 8 consecutive months is counted as a \$30 month, even if there is no earned income in the case. [If the case is correctly discontinued during the 8-month period and reapplication is made, begin the \$30 and 1/3 deduction again.] The \$30 deduction is applied for each individual with earned income.

The first month of the \$30 deduction is the first month the \$30 and 1/3 deduction is no longer applied, even if no earned income is considered in determining the grant amount.

[If the case remains active for the 8 months following removal of the \$30 and 1/3 deduction, remove the \$30 deduction and do not allow again until the individual obtains new employment or the case is correctly discontinued and reapproved.]

Indicate on form PAFS-116, Supplement A, each month the \$30 deduction is applied.

Spot check the case during the eighth month of the \$30 deduction to ensure the deduction is removed timely.

MS 2872

PROSPECTIVE BUDGETING

[Prospective budgeting is the method by which a best estimate of income is used to anticipate the amount of income to be received by the K-TAP assistance group in the payment month.]

- A. The best estimate is based on the agency's knowledge of past and current circumstances and accurately reflects the anticipated ongoing circumstances. Determination of the best estimate is dependent on the type of income (e.g., wages, self-employment, interest, contributions). In general, the actual income for a specified time period is averaged and/or converted by $4 \frac{1}{3}$, $2 \frac{1}{6}$, 2 or 1, as appropriate, based on the type of income. [For procedures specific to the types of income, refer to [MS 2700-2776](#) and [MS 2600-2650](#).
- B. The best estimate must be redetermined at recertification or every 6 months whichever comes first, or if there is a change in circumstances which will affect the ongoing K-TAP payment.
 - 1. A change in circumstances requires a recomputation of the best estimate. [A change in circumstances is defined as a change in income and/or dependent care expenses which affect the ongoing K-TAP payment.] This includes:
 - a. Beginning or ending employment;
 - b. Change in employers or obtaining additional employment;
 - c. Increase or decrease in the number of work hours;
 - d. Increase or decrease in the rate of pay;
 - e. Increase or decrease in the dependent care expense due to a change in provider, number of hours of care, number of individuals for whom care is given, or amount charged; or
 - f. Change in cropping arrangements or type of self-employment activities.
 - 2. Normal fluctuations in the income amounts are not considered as a change in circumstances and do not require a recomputation of the best estimate. Normal fluctuations include:
 - a. A change in work hours which will not exceed 30 days;
 - b. A 5th or periodic paycheck; or
 - c. Holidays, vacation days or sick leave not to exceed 30 days.
- C. [Process the K-TAP case in the following manner for applications, recertifications or interims:]
 - 1. If the income is representative of the ongoing situation, use the income from all pay periods in the prior 2 calendar months. Apply the procedures found in [MS 2500](#) and [MS 2710](#).

EXAMPLE: [Joyce applied in March.] She has worked since November and continues to work. Use the income from the pay periods in January and February (the 2 months prior to the application month of March) to

determine the monthly income to be counted in March and ongoing. January and February are used regardless whether the case is worked in March or April.

2. If the income is NOT representative of the ongoing situation, do the following:

- a. For the recently employed who have not received 2 calendar months of earned income, calculate the monthly amount as follows:

- (1) Multiply the hourly rate by the estimated number of hours to be worked in a pay period. Round the results; or
- (2) Multiply the daily rate by the estimated number of days to be worked in a pay period. Round the results; and
- (3) Convert the estimated pay period amount by multiplying:
 - a) The weekly amount by $4 \frac{1}{3}$;
 - b) The bi-weekly amount by $2 \frac{1}{6}$; or
 - c) The semi-monthly amount by 2.

Apply current rounding procedures found in [MS 2500](#).

EXAMPLE: [An individual applies in March and begins work in March. The employer verification indicated the individual would work 10 hours a week at \$5 per hour and would be paid weekly.] Use this information to calculate the estimated monthly amount. This amount is used to determine benefits for March and ongoing whether the case is worked in March or April.

- b. [For cases of new employment, where the employer verifies the individual will be paid for only a partial month, use the estimated weekly amount times the number of checks the individual will receive for the month of application.] To determine ongoing eligibility, convert the weekly estimated amount by $4 \frac{1}{3}$ or $2 \frac{1}{6}$.

EXAMPLE: [An individual applies in March, and started a job in March. The employer verifies the individual will only receive 2 pay checks in March.] Use the estimated amount for the pay period multiplied by 2 for the month of March and convert the weekly estimated amount for the ongoing income.

3. [For cases where the hours of employment or the rate of pay changes and the individual has not received 2 calendar months of earned income at the changed hours or rate, calculate the monthly amount using the steps outlined in C.2, a.

EXAMPLE: An individual received a pay raise in the middle of February. The individual applies for K-TAP in March.] Since the January and February income does not represent the ongoing income, calculate the anticipated income using the new rate of pay multiplied by the number of hours estimated for the pay period and convert accordingly.

REMEMBER, DOCUMENT HOW the income is calculated and WHAT verification was used. If less than 2 calendar months was used, DOCUMENT WHY.

MS 2880

INTRODUCTION TO INELIGIBILITY PERIOD

[The ineligibility period is the period of time in which a K-TAP assistance group is ineligible due to receipt of nonrecurring lump sum income, causing total countable income to exceed the Standard of Need. See [MS 2630](#). An ineligibility period is computed for a K-TAP assistance group which received or applied and was technically eligible for benefits in the month of receipt of the income.]

A computation of an ineligibility period may be required when gross income includes a nonrecurring lump sum amount.

A. DO NOT COMPUTE AN INELIGIBILITY PERIOD on:

1. Continuing income only; or
2. Anticipated income, e.g., the individual reports he/she may receive an insurance settlement. These amounts are only used to compute an ineligibility period if the case is still active in the month the money is received, or a reapplication is made in the month the money is actually received.

B. [The ineligibility period applies to ALL individuals included in the K-TAP assistance group in the month of ineligibility computation or anyone applying during this month.

C. An ineligibility period, established in another state, does not affect the individual's receipt of assistance in this state.] Ineligibility periods are NOT transferable between states.

MS 2886 NONRECURRING LUMP SUM GROSS INCOME

[When a nonrecurring lump sum amount is included in gross income, complete the benefit calculation regardless of the amount of gross income. See [MS 2630](#).]

- A. Compute countable income without including the nonrecurring lump sum amount.
- B. Add the nonrecurring lump sum amount to countable income to obtain total countable income. When this total exceeds the Standard of Need, determine the ineligibility period. When this total is less than the Standard of Need and gross income exceeds the Gross Income Scale only because of the nonrecurring lump sum, the case is ineligible for one month only. [Establish a claim for the ineligible month.]

MS 2889

INELIGIBILITY PERIOD COMPUTATION

Compute the ineligibility period as follows:

- A. [Divide total countable income by the Standard of Need for K-TAP assistance unit.
- B. The quotient is the number of months the assistance unit is ineligible for K-TAP.]
- C. The ineligibility period begins with the month of receipt of the nonrecurring lump sum amount.
- D. Any remainder is counted in the first month following the ineligibility period if application is made, as the same type of income previously considered, unearned or earned.
- E. [Establish a claim for ineligible months.]

When the nonrecurring lump sum income is received by an excluded parent, count the nonrecurring lump sum income in computing the gross income test. If a determination of an ineligibility period is required, increase the family size by one person to obtain the correct Standard of Need for the computation.

MS 2892

APPLICATIONS DURING INELIGIBILITY PERIOD

- A. [A separate K-TAP case is NOT established for an individual who is added to the K-TAP household AFTER the month of receipt of the nonrecurring lump sum income, but during the ineligibility period. If an individual, who is required to be included in the K-TAP case, joins a K-TAP unit which is serving an ineligibility period, the ineligibility period is recalculated, including the new individual in the family size. See [MS 2895](#).]
- B. For REAPPLICATIONS during the period of ineligibility, determine if the criteria for determining the ineligible months is still policy. When policy has changed to exclude the criteria used previously, the ineligibility period is recomputed using new policy. If the ineligibility period is inappropriate, determine eligibility based on current case circumstances.

MS 2895

INELIGIBILITY PERIOD SHORTENED

- A. The ineligibility period may be shortened when:
1. [Circumstances change which if the case was active would increase the payment AND the Standard of Need;]
 2. The nonrecurring lump sum income causing the ineligibility period has been spent for necessary medical treatment, medical equipment, or medical transportation costs incurred during the ineligibility period, less any amount reimbursable by a third party, for any individual considered ineligible due to receipt of the lump sum income;
 3. Income, which caused the calculation of the ineligibility period, has become unavailable for reasons that were beyond the control of the assistance group; or
 4. [An individual, who is required to be included in the K-TAP case, joins a K-TAP unit which is serving an ineligibility period.]
- B. "Unavailability" and "reasons considered beyond the control" are defined as follows:
1. [The definition of "unavailability" is not accessible to the K-TAP assistance group for use toward basic food, clothing, shelter, and utilities.]
 2. The "reasons considered beyond the control" of the family are:
 - a. Loss or theft of the money;
 - b. The individual to whom the lump sum was designated no longer lives in the household, making the lump sum income inaccessible;
 - c. [Expenditure of the lump sum income to meet extraordinary expenses, that are not included in the Standard of Need, described as:]
 - (1) Payments made for attorney's fees which were associated with the settlement and not specifically designated by the settlement.
 - (2) [Unreimbursed funeral or burial expenses for the caretaker relative, the caretaker relative's spouse, any member of the K-TAP assistance group, or any sibling, child, parent or grandparent of a K-TAP child including travel costs associated with the death;
 - (3) Payments made during the ineligibility period on medical bills incurred prior to the beginning of the ineligibility period which were medically necessary to the health of an assistance group member and not

covered by the Kentucky Medicaid Program (KMAP) or other third party;

- (4) Such necessary expenses as food, shelter, or transportation which are not reimbursable by a third party, and are associated with overnight travel of more than 35 miles in order to obtain necessary medical treatment because of an accident, illness, or medical condition of an assistance group member;
- (5) Costs for repair or replacement of primary vehicle, clothing, housing, and essential household furnishings, including costs associated with temporary arrangements, that are damaged or destroyed by theft, civil disorder, vandalism, accident, fire, flood, storm, earthquake, or other natural disaster, less the amount of third party reimbursement. Examples of essential household furnishings are beds, stove, refrigerator, table and chairs;]
- (6) [That portion of costs not reimbursable by a third party that are necessary to rectify or prevent a serious hazard to the health or economic viability of the assistance group, such as, but not limited to: cost to purchase or otherwise secure minimum adequate housing if present housing does not meet the basic needs of the family, is nonexistent, or cannot be repaired; cost of weatherization or necessary repairs to owner occupied housing; payment of back rent, back mortgage, or back utility bills if under threat of eviction, foreclosure, or cut-off; payment of back due taxes; payment of court judgements that have been entered against the individual, except if the judgement involves the payment of erroneously received benefits from any government programs; cost of repairs to or replacement of inoperable essential appliances; cost of repairs to or replacement of an inoperable or unsafe motor vehicle that is essential for employment, education/training or obtaining medical treatment.] Examples of essential appliances are stoves, refrigerators, phones, or if needed due to a medical condition, air conditioners. Economic viability means the ability to produce income necessary to meet basic food, clothing, shelter and utility expenses.

C. To SHORTEN the ineligibility period after the initial number of months have been determined:

1. Obtain third party verification:

- a. Of the amount of the lump sum income that was spent on approved expenses, e.g., receipt or statement from repairman, or store;
- b. That the amounts spent are not reimbursable by a third party or paid by KMAP, if eligible at that time; and

- c. That the nature of the request that the ineligibility period be shortened meets all the required criteria, e.g., its necessity, health hazard, relationship to the deceased, etc.

[Accept the individual's signed statement ONLY if third party verification is unobtainable and there is no reason to doubt the statement.]

If an individual's statement is used, the case record must be documented as to the efforts made to obtain third party verification.]

2. Deduct the allowable amounts from the original amount of the lump sum income.
3. Add the remaining amount to the original total countable income from all sources excluding the lump sum.
4. Divide this new amount by the Total Standard of Need for the family size in the first month of the original ineligibility period. The result of the division is the adjusted number of ineligible months, with any remainder of the income applied to the next month if reapplication is made. The ineligible months begin with the month in which the nonrecurring lump sum was received.

EXAMPLE 1: [In July 1997, a K-TAP mother and her dependent child win \$10,000 nonrecurring lump sum income in the lottery and receive \$150 other countable income, after the disregards and deductions are applied.] The Standard of Need for two is \$460. The family has been living in a shelter after having been evicted from their apartment for nonpayment of rent.

[The K-TAP assistance group, therefore, is determined ineligible for 22 months beginning with July 1997, the month of receipt of the nonrecurring lump sum. The ineligibility period ends in April 1999, and \$30 is left to count in the prospective budget for May 1999, if the individual reapplies. The case is closed effective August 1997, and a claim is established for the July 1997 K-TAP payment.]

On August 15, 1997, the family reapplies for assistance because \$9,000 was spent as down payment on a home, \$500 went to closing costs, and a total of \$300 was paid for utility hook-ups. Since the family spent the money on approved expenses, the ineligibility period is recomputed.] The first step is to subtract from the \$10,000 received in July, the amount spent for obtaining adequate housing (\$9,800). Add the remainder (\$200) to the \$150 other countable income and divide by the current Total Standard of Need for the family size (\$460) in the month in which the lump sum was received. Since the sum (\$350) is less than \$460, there is no ineligibility period. [No claim is established for the July 1997 payment, and the case is reapproved effective August 15, 1997.]

[EXAMPLE 2: In January 1990, the K-TAP mother and her two dependent children received a \$15,000 lump sum payment. The family had no other income] Based on a Total Standard of Need of \$526, the ineligibility period computes to 28 months (1/90 through 4/92) with \$272 left to consider in the May 1992 prospective budget if reapplication is made. [Close the case effective February 1, 1990, and establish a claim for the January payment.]

The family at the time of receipt of the \$15,000 lump sum was renting a sub-standard home, leaking roof, unrepairable plumbing, etc. The mother purchased a used trailer including furnishings for \$7,500. The family was living on the remaining \$7,500. In December 1991, the trailer and furnishings were destroyed due to a flood. The family had no insurance. In December 1991, the mother reapplies. The \$7,500 used to purchase the trailer is subtracted from the \$15,000 leaving \$7,500. Divide the remaining \$7,500 by \$526, Total Standard of Need for 3. The shortened ineligibility period is now 14 months ending in February 1991, leaving \$136 to be considered in March 1991. [This ineligibility period has been served; therefore, the K-TAP assistance group may receive K-TAP, if otherwise eligible.]

5. [If the Standard of Need for the original family size has increased because of a K-TAP conversion then, in lieu of the preceding described division, proceed as follows:]
 - a. Multiply the old Standard of Need by the number of months that standard applied.
 - b. Subtract that total from the sum of the countable net income and the original lump sum (minus any approved expenses).
 - c. Divide any remainder by the new Standard of Need. This provides the adjusted number of ineligible months.

EXAMPLE: [In May 1989, the K-TAP mother and her dependent child won \$2,000 in the lottery and received \$150 ongoing unearned income. Based on a Total Standard of Need of \$188, the ineligibility period computes to 11 months (May 1989 - March 1990) with \$82 left to consider in the April 1990 prospective budget if reapplication is made. Close the case effective June 1, 1989, and establish a claim for the May payment.

In August, 1989, the mother reapplies because \$300 was spent on medically necessary doctor bills for the K-TAP child. None of the \$300 was reimbursable by a third party. This left \$1,700 of the lump sum plus \$150 other net income in May to be considered. From the \$1,850, subtract \$376 (\$188 x 2, the correct Standard of Need for 2 for May and June) to arrive at \$1,474. Then divide the \$1,474 by \$460, the correct Standard of Need for 2 for July. Thus the shortened ineligibility period now ends in July 1989 with

\$94 left to consider in the payment month of August, with on-going income of \$150.

- D. If an individual, who is required to be included in the K-TAP case, joins a K-TAP unit which is serving an ineligibility period, the ineligibility period is recalculated, including the new individual in the family size.] A new individual may be a newborn child or a child or parent returning to the home, who is required by standard filing unit rules to be included. [A separate K-TAP case is NOT approved for the individual.]
1. Shorten the ineligibility period in the following manner.
 - a. Multiply the Standard of Need for the original family size by the number of months that standard was applied. Include the month the individual entered the household in this computation.
 - b. Subtract the result from the sum of the countable net income and the amount of the lump sum (less appropriate deductions).
 - c. [Subtract the prorated amount of the individual's share of the Standard of Need for the month the individual entered the K-TAP household. This is calculated by taking the difference between the new Standard of Need (Standard for the original family size plus the new individual) and the original Standard of Need and prorating the difference from the date the new member entered the household using the K-TAP Grant Proration Table.]
 - d. Divide the remaining amount of the lump sum by the new Standard of Need to determine the adjusted length of the ineligibility period.

EXAMPLE: [A K-TAP unit of 3 members with \$0 countable net income, receives \$15,000 from an accident settlement in January.] \$2,000 is used for medical expenses specified in the settlement. An ineligibility period of 24 months is established. In April a sibling is reported to have moved back to the home on April 15th. The ineligibility is recalculated using a family size of 4. The prorated Standard for April is calculated by taking the new Standard of Need for 4 persons and subtracting the original Standard of Need for 3 persons (\$592 minus \$526, equals \$66). [The balance (\$66) prorated from April 15th, using the K-TAP Grant Proration Table, equals \$35.]

ORIGINAL CALCULATION:		
Lump Sum + Net Countable Income		\$15,000
Specified Expenses	minus	\$ 2,000
Balance	equals	\$13,000
Standard of Need for 3 Persons	divided by	\$ 526

Months of Ineligibility with \$376 Counted in the 25th Month	equals	24
RECALCULATION:		
Standard of Need for 3 Persons		\$ 526
Number of Months Applied	multiply by	4
Total Amount Applied	equals	\$ 2,104
Lump Sum (less appropriate deductions)		\$13,000
Total Amount Applied	minus	\$ 2,104
Balance	equals	\$10,896
Prorated Standard for April	minus	\$ 35
Balance		\$10,861
Standard of Need for 4 Persons	divided by	\$ 592
Adjusted Months of Ineligibility with \$205 Counted in the 19th Month	equals	18

2. [DO NOT issue supplements for any months prior to the report month if the recalculation results in the period of ineligibility ending before the report month.

EXAMPLE: A K-TAP unit of 3 members is serving an ineligibility period.] In May, the household reports a child was born in March. In recalculating the ineligibility period, the ineligibility period should have ended in April. No retroactive benefits are paid for April. [Payments would begin prospectively based on the date the K-TAP unit reapplied for assistance and met all conditions of eligibility.]

3. If the individual, who caused the ineligibility period to be recalculated, subsequently leaves the home, ineligibility DOES NOT follow that individual. [Therefore, that individual could be included in another K-TAP case, if otherwise eligible.]

EXAMPLE: A son moves to his mother's home. She and another sibling are currently serving an ineligibility period. The ineligibility is recalculated including the son. The son moves to his aunt's home because of emotional problems. [The aunt may apply for and receive K-TAP for the boy.]

4. The ineligibility period is NOT recalculated again if the individual, who caused the period to be shortened, leaves home.

MS 2900

[GENERAL INFORMATION

Individuals included in a K-TAP case who receive Medicare Part A may be eligible for additional limited Medicaid coverage as a Medicare Qualified MA recipient. The limited coverage may include buy-in of Medicare Part A and Part B premiums and payment of Medicare deductibles and Medicare coinsurance. Individuals who receive both Medicare Qualified MA benefits and regular MA benefits are referred to as having dual eligibility. Refer to [Volume IVA, MS 4400.](#)]

MS 3000

[REQUIREMENTS FOR CHILD SUPPORT ACTION]

The Cabinet is required by the Social Security Act to make efforts to establish paternity and/or secure child and/or medical support from noncustodial parents for all children receiving K-TAP or Medicaid benefits due to the divorce, separation or desertion of a parent or due to birth out-of-wedlock. The Act further requires that child support collected for K-TAP recipients be paid to the Cabinet. This does not include medical support enforcement only cases. If the case is medical support enforcement only, the individual can authorize the Cabinet to establish, modify, enforce, collect and distribute child support on his/her behalf.

- A. The specified relative (SR), an SR receiving SSI, a nonresponsible relative included in the case, and/or minor parent is required to cooperate with the Division of Child Support (DCS) and law enforcement officials in all phases of support activity. This includes, but is not limited to, identifying and locating the alleged father or noncustodial parent, establishing paternity, obtaining child support payments and medical support and forwarding child support payments to DCS's Centralized Collection Unit (CCU) at P.O. Box 14059, Lexington, Kentucky 40512. Refer to [MS 3040](#) for information concerning penalties for noncooperation with child support.

If the parent is the only member on the K-TAP case because the only eligible child receives SSI, the parent is not required to cooperate with child support activities as part of the K-TAP application process. Medical support establishment and enforcement activities are required for the SSI child; however, this activity is not required as an eligibility factor for receipt of K-TAP by the parent. If workers identify an SSI child that requires medical support enforcement activities, set up a "B" or "D" case for the SSI child on the PA-62 system following the procedures found in OM, [Volume IV, MS 2210](#), items B and C. A hardcopy form KIM-100, Sup. PP, AP Referral, is completed for "B" and "D" cases.

- B. Establishment of paternity and/or support from noncustodial parents is not pursued when:
1. The child receiving K-TAP is married. However, if the married child is divorced before the age of 18, the requirement to establish paternity and/or support applies;
 2. The parent is absent due to hospitalization or confinement in a penal institution and intends to return to the home upon release. If the parent decides not to return to the home, a child support referral is appropriate;
 3. The legal parent is dead; or
 4. It involves a single parent adoption.

The Cabinet also provides support services to non K-TAP individuals applying for child support services on behalf of dependent children.]

MS 3010

[DCS ACTIVITIES

The Division of Child Support (DCS) administers the child support program and performs a wide range of tasks for the purpose of securing maximum support from noncustodial parents.

- A. Reviewing referrals and applications for determination of appropriate action;
- B. Initiating location efforts for noncustodial parents;
- C. Initiating appropriate action to establish paternity and/or child or medical support;
- D. Collecting and distributing child support;
- E. Enforcing support obligations by judicial or administrative means;
- F. Reviewing support obligations for possible modification;
- G. Advising field staff of changes in the case or need for additional information;
- H. Informing the recipient of services of the status of the child support case; and
- I. Providing services to non K-TAP individuals who apply for services]

MS 3020*

FAMILY SUPPORT RESPONSIBILITIES

- A. The worker is responsible for:
1. Explaining the child support program to the individual including penalties for failure to cooperate, and opportunity to claim good cause for not cooperating;
 2. Obtaining the individual's signature on form CS-333, Facts About the Child Support Program;
 3. Making a determination of good cause for individuals requesting good cause;
 4. Securing information to complete the referral from the individual;
 5. Securing copies of court orders, as appropriate;
 6. Notifying the appropriate worker responsible for the child support case of subsequent changes, such as:
 - a. Any change in information or status previously submitted (For cases on KAMES, the new or changed information is updated on the appropriate referral screen or referral comment screen);
 - b. Additional facts pertinent to case handling;
 - c. Copies of court orders;
 - d. The death of a parent for whom the referral has been submitted;
 - e. Removal of one or more children from an active K-TAP case; or
 - f. When a responsible specified relative or minor parent refuses to cooperate with DCS.
 7. Explaining to the individual the necessity to forward support received prior to conversion of the support order to DCS following receipt of the first K-TAP check which is not reduced by Child Support and if not currently receiving support to forward to DCS when received;
 8. Cooperating in completion of the court action upon request including, if necessary, appearing to give testimony;
 9. Taking other action by request of DCS;
 10. Obtaining a protective payee when the individual refuses to cooperate without good cause;
 11. Referring nonassistance individuals for child support services to the child support office or contracting official, whichever is appropriate, for information and applications; and
 12. Requesting a refund of excess child support collections. Refer to [Volume I, MS 1860](#).
- B. In cases in which the individual refuses to cooperate, the supervisor or designated representative may sign the complaint in the office of the contracting official verifying the facts stated in the complaint. Legal complaints must be prepared and signed by an attorney.

MS 3030

[REFERRAL PROCESS]

[See OM Update No. 05-09, MS 99693, 2/7/05](#)

A child support referral is completed on KAMES. KAMES passes the referral information to the Kentucky Automated Support and Enforcement System (KASES). Refer to [Volume VI, MS 5005](#) for specific information on KAMES procedures.

- A. Complete a referral at:
1. Application;
 2. Reapplication if the case information has been moved to off-line history; or
 3. Any time a member is being added to the case if there is not an existing referral.

If there is an existing referral, review all the referral information and make changes as needed.

- B. At the application, reapplication or member add when a child support referral is appropriate:
1. Explain the child support requirements and provide form CS-333. Include information concerning good cause. Have the individual sign form CS-333 and enter the referral on KAMES.
 2. If the individual refuses to cooperate with the referral process, determine if good cause exists. Refer to [MS 3050](#) and [MS 3070](#) for the good cause criteria and the process.
 - a. If good cause exists, do NOT forward the referral and do NOT apply a penalty for noncooperation.
 - b. If good cause does not exist and the individual still does not cooperate, apply the penalty for noncooperation and obtain a protective payee for the K-TAP benefits. Refer to [MS 3080](#) for the penalty specifics.
- C. In cases that contain a specified relative (SR) and a minor parent, either the SR or the minor parent may sign the child/medical support enforcement referrals for the minor's children. If the SR signs the referral for the minor's children, the minor parent is still required to cooperate with DCS and law enforcement officials in all phases of child support activities to avoid reduction of K-TAP benefits.

For W cases which contain child support referrals, either parent may sign the signature page of the child/medical support referral. The appropriate parent is still required to cooperate with DCS to avoid reduction of K-TAP benefits.

- D. When a good cause claim is filed, if the individual has not responded with corroborative evidence within the specified time limit, no extension is granted. Apply the penalty. If corroborative information is submitted at a later time, determine good cause and take appropriate action based on the decision.]

MS 3040* NONCOOPERATION WITH CHILD SUPPORT ACTIVITIES

- A. The following are considered "noncooperation or refusal to cooperate" which result in the penalty of 25% reduction of the K-TAP benefits.
1. Refusal to provide any information, including that required for completion of the referral, that is available to the SR or minor parent and required for child support activities or law enforcement officials to provide child support services;
 2. Refusal to sign the child support referral;
 3. Failure to appear as a witness in judicial or other hearings (This includes failure to sign complaints or keep appointments scheduled with DCS or contracting officials.);
 4. Refusal under penalty of perjury to provide correct information or attest to the lack of information;
 5. Dismissal of a pending court action or initiation of a dismissal after signing form CS-333; or
 6. Initiation or completion of action to terminate or lower an existing support order after signing form CS-333.

When an individual refuses to cooperate and does NOT file a "good cause" claim, apply the penalty.

If an individual later states a willingness to cooperate, the cooperation must be verified.

Verification of cooperation consists of proof that the individual met with the child support caseworker or contracting official, a completed child and/or medical support referral, etc. If the contracting official cannot reschedule the individual's appointment within 30 calendar days, accept verification of the rescheduled appointment as verification of cooperation.

If verification of cooperation is provided timely, remove the penalty from the case. Notify the child support caseworker or the contracting official's office in direct referral counties that the penalty has not been applied due to cooperation.

- B. Refusal to forward payments is another form of noncooperation. If notified by the child support caseworker or discovered by other means that the individual is receiving voluntary or court ordered support for a K-TAP child and is not forwarding these payments to DCS's CCU, immediately contact the individual and collaterals as necessary to determine if support was received. If support was not received or was received and forwarded, notify the child support caseworker.

If court ordered or voluntary support was received but not forwarded, consider the individual not cooperating and:

1. Consider all support money, minus the \$50 disregard to the children for whom payments were made;
 2. A good cause claim is not appropriate because the individual was notified in writing by the application/recertification forms and CS-333 that all support rights are assigned to the Cabinet; and
 3. Establish a claim, if appropriate.
- C. If, after the individual states he/she will cooperate, use form PAFS-2 to request verification of cooperation be provided within 10 calendar days. Verification of cooperation consists of proof that the individual met with the contracting official, completed a child and/or medical support referral, etc. EXCEPTION: If the contracting official cannot reschedule the individual's appointment within 30 calendar days, accept verification of the rescheduled appointment as verification of cooperation.

If verification is provided timely, the worker removes the penalty effective with the date the individual indicated she would cooperate, and removes the protective payee. The worker then notifies the appropriate DCS staff via KAMES of the effective date of the removal of the protective payee. Back payments are not authorized for the period of time in which the individual did not cooperate.

If verification of cooperation is not provided by the end of 10 calendar days, send form PA-105 as notification of the denial of the request.

MS 3050*

GOOD CAUSE CRITERIA

Good cause for failing to cooperate exists only when one or more of the following criteria is met.

- A. Cooperation in support activities could result in physical or emotional harm of a serious nature to the child and/or custodial parent;
- B. Support action is not in the child's best interest due to incest;
- C. Support action is not in the child's best interest because the child was conceived as a result of forcible rape;
- D. Support action is not in the best interest of the child because legal proceedings for adoption of the child are pending; or
- E. Support action is not in the best interest of the child because the custodial parent is being assisted by a public or licensed private social agency to resolve whether to keep the child or release him/her for adoption AND discussion has not gone on for more than 3 months.

MS 3060

[VERIFICATION OF GOOD CAUSE

Evidence must be provided by the individual within 20 calendar days of the date of the good cause claim (form PA-121) unless an extension is granted.

A. Evidence which supports a determination of good cause includes, but is not limited to, the following:

1. Birth certificates, medical, or law enforcement records indicating that the child was conceived as a result of incest or forcible rape;
2. Court documents or other records indicating legal proceedings for adoption of the child by a specific family are pending before a court of competent jurisdiction;
3. Records (court, medical, criminal, child protective services, social services, psychological, or law enforcement) indicating the noncustodial parent or alleged father might inflict physical or emotional harm on the child or caretaker relative;
4. A written statement from a public or licensed private social agency that assistance is being given to the custodial parent to resolve the issue of whether to keep the child or relinquish the child for adoption and the issue has not been pending more than 3 months; and
5. Notarized statements from individuals, other than the custodial parent with knowledge of the circumstances which provide the basis for the good cause claim.

B. In each good cause determination based upon ANTICIPATION of serious emotional harm to the child, the mother, or caretaker relative, consider the following:

1. The present emotional state of the individual subject to emotional harm;
2. The emotional health history of the individual;
3. The extent of the emotional impairment and how long it might last; and
4. The extent of the involvement required of the individual in the child support activities.

If medical information documenting the above is not available, accept collateral contacts or the statement, unless questionable.

C. When the good cause claim is based on the ANTICIPATION of physical harm to the child and/or specified relative, and supporting evidence is not available, accept the individual's statement unless questionable.]

MS 3070

GOOD CAUSE CLAIM PROCESS

When an individual (including a minor parent) refuses to cooperate in child support activities, and claims to have a good reason for not cooperating:

- A. Complete form CS-333.1.
- B. Complete form PA-121, Good Cause Claim/Determination, in accordance with procedural instructions when an individual requests a good cause claim. Complete the child support referral on KAMES. DO NOT forward KIM-100, Supplement PP or PA-125 to the child support caseworker or the contracting official.
- C. Any proposed finding of whether good cause exists is reviewed and approved or disapproved by the supervisor or designated representative.
- D. Review good cause with the individual at recertification to decide if good cause still exists. The good cause decision may be reviewed more frequently if circumstances in the case indicate it is necessary.
 - 1. If good cause continues to exist, document the case.
 - 2. If good cause no longer exists, update the appropriate child support referral and change the good cause indicator. Forward form KIM-100, Supplement PP or PA-125 to the child support caseworker or the contracting official in direct referral counties.
- E. If an individual requests a hearing based on a good cause determination and the agency is upheld, no further action is necessary. If the agency is reversed, inform the child support caseworker or contracting official that the individual has good cause and to cease child support activity. Change the good cause indicator on KAMES.

MS 3080

PENALTY FOR NONCOOPERATION

[Any individual who fails to cooperate with child support activities without good cause will have his/her K-TAP/Kinship Care benefits reduced by 25% of the maximum K-TAP/Kinship Care benefit amount for the eligible household size. This includes nonresponsible relatives (NSR) or technically excluded specified relatives who are not included in the K-TAP/Kinship Care case.]

- A. [The K-TAP/Kinship Care benefits can only be reduced by a maximum of 25% of the maximum K-TAP/Kinship Care grant due to noncooperation regardless of the number of members penalized for noncooperation in that K-TAP/Kinship Care case.]
- B. [If an individual is sanctioned/penalized for a reason other than noncooperation with child support activities and the individual fails to cooperate with child support, the penalty of the 25% reduction of the maximum grant for the remaining active K-TAP/Kinship Care members is applied.]
- C. When the individual fails to cooperate without good cause:
 - 1. Enter the disqualification code 389, Cooperation with DCS, on KAMES. The individual remains an active member of the K-TAP case with status reason 789 and may continue to receive Family Medicaid. A spot check is posted to the DCSR of the worker who is responsible for the Food Stamp case. The individual must agree to cooperate with Medical Support Enforcement (MSE) to continue to receive Family Medicaid.
 - [2. If the individual is an NSR, apply the disqualification code to the youngest child member in the K-TAP case of the non-custodial parent (NCP) for whom the client does not wish to cooperate with DCS.

Example: A grandmother (NSR) receives K-TAP for her two grandchildren. The children's fathers are not the same person. The grandmother does not wish to give information to DCS because of reasons relating to only one of the fathers. The code 389 disqualification is placed on the child of the father about whom the grandmother does not wish to give information.
 - 3.] Assign a protective payee. If the individual cannot name a protective payee, assist the individual in finding someone. Use the local office protective payee resource file.

MS 3090*

NON K-TAP INDIVIDUALS

Persons not receiving K-TAP may receive support services by applying with the child support office or contracting official, whichever is appropriate.

- A. Provide the non K-TAP individual with the address and phone number of the appropriate child support office or contracting official.
- B. Advise the individual that support services are directed toward:
 - 1. Location of alleged fathers, noncustodial parents or obligors;
 - 2. Establishment of paternity;
 - 3. Establishment of the child support and medical support orders;
 - 4. Review of child support and medical support orders for possible modifications;
 - 5. Collection and disbursement of child and spousal support payments;
 - 6. Enforcement of the child and spousal support orders; and
 - 7. Enforcement of spousal support orders that apply to spouses with a child.

MS 3650

UNEMPLOYED PARENT (UP) PROGRAM

[Two parent families may be eligible for the Kentucky Transitional Assistance Program (K-TAP) based on a child being deprived of parental support due to unemployment of the qualifying parent (QP). The Unemployed Parent (UP) program code is "W".

- A. Two parents must be in the home with a common child for eligibility in the Unemployed Parent (UP) program. Children and parents are included in K-TAP cases in which the qualifying parent (QP) meets the definition of unemployment. The definition of unemployment is found in [MS 3665](#).
- B. Paternity must be established by adjudication, administrative establishment or by the parent's legal marriage. A common-law marriage is acceptable if the marriage existed in a state where common-law marriage is recognized. Paternity is established through a legal marriage if the marriage existed at the time of the child's birth, even if the marriage is now ended.
- C. Unemployed parents are subject to work registration which is met when the application is signed. If the QP refuses to work register, UP eligibility is NOT met. Deny the application.
- D. The application may be completed and signed by either parent. The signing of the application by either parent work registers both parents. The QP must sign form PA-1C, Supplement D, Qualifying Parent Eligibility, in person. The QP has primary responsibility for participating in the Kentucky Works Program.]

MS 3655

[THE QUALIFYING PARENT AND PRIOR
LABOR MARKET ATTACHMENT

- A. The qualifying parent (QP) is the parent in a two parent household, who meets prior labor market attachment. Form PA-1C, Supplement D, Qualifying Parent Eligibility, is used to determine which parent is designated as the QP. Use separate forms PA-1C, Supplement D for each parent. Each parent must sign form PA-1C, Supplement D in person before a K-TAP application can be approved.
1. The earnings of each parent are considered in determining the QP regardless of when the relationship between the parents began.
 2. If unable to secure primary evidence of earnings to determine which parent is the QP, designate the QP using the individual's statement or the best evidence available.
 3. If both parents earned identical amounts of income, the applicant designates the QP.

The QP designation remains with the same parent as long as assistance is received on the basis of the same application.

- B. Prior Labor Market Attachment is defined as:

1. Having earned \$1,000 or more during the 24 months prior to the month of application. The earnings must be a result of legal activities. Income from activities prohibited and criminalized under Federal and State law CANNOT be counted in the quarters of work.
 - a. Two semesters or four quarters of full-time attendance, as defined by the school or institution, in a post-secondary school, may be substituted for \$500 of the \$1,000 earnings required in the 24 months prior to the month of application. \$250 per semester, is allowed.
 - b. Gross income from self-employment and farming qualify as earned income in determining prior labor market attachment. The self-employed individual does not have to realize a profit to meet this requirement.
 - c. At application, school attendance or earnings are verified when determining prior labor market attachment. The case record is documented with the type of verification utilized.
 - (1) Utilize readily available verification such as program 48 (New Wage Record), information in a Food Stamp case record, any available old or current assistance case record with income verification, or verification provided by the QP.
 - (2) If the wage verification is not readily available to the caseworker, the applicant/QP is responsible for providing the wage verification necessary for determining prior

labor market attachment. Wages are verified using pay stubs or an employer statement, either written or verbal, such as form PAFS-700, Verification of Income, form PAFS-121, Irregular Work Form, or a contract.

- (3) If the QP cannot provide income verification necessary to determine his/her prior labor market attachment and the information is not readily available to the caseworker, a collateral contact with knowledge of the individual's employment may be utilized. Use the client's statement as a last resort, for verification in situations such as out-of-state employment, employers no longer in business, or those who cannot be contacted.
- (4) It may be necessary to combine sources of verification when determining prior labor market attachment. Document the case record with the sources of verification used and why a client's statement is accepted for all or part of the prior labor market attachment.

OR

- 2. Within 12 months prior to application, received unemployment compensation which can be verified on IMS inquiry program 4B, for an in-state claim.

OR

- 3. The individual is currently receiving unemployment compensation and complying with the requirements to receive the benefits.

Application for Unemployment Insurance (UI) benefits must be made by both parents if potential eligibility exists.

- a. Verification of potential or actual entitlement for UI may be accomplished through IMS Program 43 and/or 4B. Print the computer inquiry and/or refer the unemployed parent directly to the UI office.
 - b. Document the case record clearly to show the method of clearance and if application for benefits has been made. Spot check the case for anticipated unearned income if appropriate.
 - c. If eligibility exists and either parent refuses to apply for or comply with the requirements of UI (including compliance with UI eligibility requirements even after UI has been approved), K-TAP eligibility does NOT exist.
- C. Prior labor market attachment remains established as long as there has not been a break in the K-TAP benefits of the QP in a "W" case.
 - D. Either parent may sign the application forms to protect the filing date. DO NOT refuse to take an application signed by a non qualifying parent.]

MS 3665

UNEMPLOYMENT REQUIREMENTS

The following conditions apply to the deprivation factor of unemployment.

- A. Both parents are in the home.
- B. At application, the qualifying parent (QP) is unemployed or underemployed and working less than 100 hours per month for at least 30 days. The 100 hour standard is applied to the application only.
 - 1. K-TAP eligibility begins on the 31st day of unemployment or underemployment.
 - 2. The first day of the 30-day unemployment period begins the day the individual loses his/her job or hours are reduced to less than 100 hours per month.
 - 3. The case cannot be approved prior to the 31st day of unemployment or underemployment.
- C. Within the 30 days prior to the K-TAP application or during the course of receipt of UP benefits, the QP has not, without good cause, refused a bona fide offer of employment or training for employment. Training includes participation in the Kentucky Works Program (KWP).
 - 1. Determine that an offer of employment or training was made.
 - 2. If an offer is refused, determine if good cause exists. Refer to Vol. III, [MS 2843](#) for good cause reasons for refusal, reduction or termination of employment.
 - 3. Good cause determinations are not required for individuals losing employment due to being "fired" from a job. If an individual states he/she was fired, obtain verification from the employer.
 - 4. If the offer of employment, training for employment or KWP placement is made through a contracting vendor, the contractor will advise if the offer is refused.
- D. If an application or an existing UP case is denied or discontinued due to the refusal to accept employment, voluntary reduction or termination of employment or training without good cause, a reapplication based on unemployment of the QP must meet all requirements in this manual section.

For instances when the UP case is discontinued due to failure to participate in KWP activities, the case is not eligible for 30 days from the date of the KW-204 that was sent to the family. The technical requirements for a reapplication are the same as an initial application.

- E. Unemployment does not exist when a QP is:
1. On strike (Refer to [MS 2304](#));
 2. Temporarily unemployed due to weather conditions or lack of work if there is a job to return to and return can be anticipated within 30 days or at the end of a normal vacation period;
 3. Unavailable for full-time employment. The availability for full-time employment is determined at application, recertification, and at any point the qualifying parent's availability for full-time employment is in question. The client's statement is accepted when determining if the qualifying parent is available for full-time employment. However, if the QP refuses to accept a job without good cause, unemployment does NOT exist. In addition, if the QP fails to cooperate with KWP, he/she is NOT available for full-time employment; or
 4. Under contract for employment, unless a written statement from the employer verifies that the individual is subject to release from the contract if full-time employment is secured.
- F. In order for a K-TAP eligible alien to be a QP, he/she must have a valid work permit from Immigration and Naturalization Services (INS). In most instances, form I-551, Alien Registration Receipt Card, is the valid INS work permit.
- G. [If the QP refuses] to accept or continue suitable employment or is not cooperating with KWP requirements the case manager sends form KW-204, Conciliation Contact, to determine if good cause reasons exist for the refusal. See Vol. III, [MS 2843](#). The case manager may determine a reason for non cooperation is of short duration. If a good cause reason found in MS 2843 does not exist, the UP case NO longer meets eligibility criteria. Answer the question on KAMES, "Is parent available for and willing to accept full-time employment?" with an "N" to discontinue the case. A sanction is never entered for any individual in a UP case.
- H. If the non qualifying parent is required to participate the required hours or part of the required hours and fails to participate, send form KW-204 for conciliation. If the non qualifying parent refuses to participate, the QP is given an appointment to determine his/her plan to complete the required hours of participation via form KW-100, Kentucky Works Appointment Letter. The non qualifying parent is not sanctioned on STEP for refusing to cooperate.

If the QP does not cooperate with KWP requirements, the K-TAP case is discontinued.

While the non qualifying parent can assist the QP in meeting the required hours of participation for the "W" case, the QP must be actively seeking employment or receiving training toward obtaining employment. Accept the QP's statement he/she is actively seeking employment or training if the non qualifying parent is meeting the requirement.

MS 3670

[INCAPACITY AND THE UNEMPLOYED PARENT

- A. The following guidelines apply when a parent in a potential Unemployed Parent (UP) case or current UP parent alleges INCAPACITY:
1. If at application either parent in a 2 parent family alleges incapacity:
 - a. Take a "C" application based on incapacity.
 - b. Refer the individual to the Medical Review Team (MRT) via form PA 601T, Referral for Determination of Incapacity/Disability, if a field determination cannot be made. Refer to [MS 2379](#) and [MS 2381](#) for further information about incapacity determinations and field determinations of incapacity.
 - c. Refer the individual claiming incapacity to the Social Security Administration (SSA) utilizing form PAFS-5.1, Report or Referral to the District Social Security Office, to apply for Supplemental Security Income (SSI) benefits.
 2. If either parent in an active "W" case alleges a physical or mental inability to work and the other parent is NOT meeting the 35 hour requirement, discontinue the "W" case by answering the question, "Is the parent available for and willing to accept full time employment?" with an "N" and:
 - a. Enter an application in the "C" category and pend the case for an interview if the parent is not present at the time of the allegation of incapacity. Send form PAFS-2, Application Letter or Notice of Expiration, to schedule the interview.
 - b. Pend the case and refer the individual to MRT via PA-601T for determination of incapacity if a field determination cannot be made.
 - c. Refer the individual claiming incapacity to the SSA to apply for SSI benefits.
 - d. If MRT returns a decision of not incapacitated, the "C" application is denied.
 - e. If a family wishes to reapply for K-TAP eligibility under the UP program, the family must meet all UP eligibility criteria including prior labor market attachment.
- B. When a request for a program transfer from an "N" category medical assistance case to "W" category K-TAP case is made, treat the program transfer as a new "W" application and follow policy and procedures in [MS 3655](#) and [MS 3665](#).

"W" applications must include a face-to-face interview. Both parents must sign form PA-1C, Supplement D, Qualifying Parent Eligibility. The form PA-1C, Supplement D is obtained to determine current prior labor market attachment and designation of the QP.]

MS 3700

EDUCATIONAL BONUS

[See Policy Clarification](#)

See: OM. Upd. 04-09, [MS 99661](#), 2/1/04

Effective 6/1/99, any active K-TAP adult or child who reports and verifies a high school diploma or GED certificate received after 5/1/99, shall be issued an educational bonus of \$250.

Any qualified alien who reports and verifies completion of English as a Second Language (ESL) is eligible to receive the educational bonus of \$250.

Also, the educational bonus can be issued if a K-TAP adult reports and verifies the receipt of a certificate or degree from a post-secondary school after 5/1/99. Short-term training programs do not qualify as post-secondary.

Pay the educational bonus off KAMES as a special circumstance payment. Use benefit type E, Educational Bonus, on the change - Special Circumstance screen. The payment is made to the adult or child who obtained the diploma or certificate. To make the check to someone other than the case name, use the payee line on the special circumstance payment screen.

MS 3712

POST K-TAP WORK INCENTIVE BONUS

Effective 6/1/99, K-TAP adults discontinued with wages (subsidized or unsubsidized) may receive work incentive bonus payments. [The post K-TAP work incentive bonus payments may help individuals to obtain needed services, such as transportation, education for themselves or their children, or to increase savings to obtain improved housing, etc.] The bonus payments do not count toward the K-TAP 60-month lifetime limit. The post K-TAP work incentive bonus may only be received once in the K-TAP adult's lifetime. This bonus may consist of a possible total of 3 payments of \$500 each.

[Effective 4/1/03, the post K-TAP work incentive bonuses are phased out. For K-TAP cases with earnings that are discontinued effective 4/1/03 and after, there are no post K-TAP work incentive bonuses.

For K-TAP cases with earnings that are discontinued effective before 4/1/03, the post K-TAP work incentive bonuses may be received if all of the following requirements are met:]

- A. The post K-TAP work incentive bonus may be paid to the K-TAP adult who:
 - 1. Reports and provides timely verification of wages;
 - [2. Had a K-TAP case with earnings discontinued effective 3/1/03 or earlier;
 - 3.] After the K-TAP discontinuance, has or obtains and maintains unsubsidized employment for 3 months of at least minimum wage and the total wages per week equal or exceed 35 hours times minimum wage:
 - a. If the case is discontinued with unsubsidized wages, the 3 months begin with the first month of discontinuance;
 - b. If the case is discontinued with subsidized wages, the 3 months begin with the month following completion of the subsidized wages. The unsubsidized wages may begin any time during that month and continue for the next 2 months to meet eligibility; AND
 - [4.] At the end of the 3-month period:
 - a. Requests the \$500 bonus within 30 days;
 - b. Is still employed;
 - c. Has a child in the home from the K-TAP benefit group;
 - d. Is a resident of Kentucky; and
 - e. Provides his/her current mailing address and verification of employment during the 3-month period.
 - [5.] If the adult remains in unsubsidized employment at minimum wage or above for 6 months and the total wages per week equal or exceed 35 hours times minimum wage, the adult may be eligible for a second \$500 post K-TAP bonus. The second bonus is paid to the K-TAP adult who:

- a. Requests the bonus within 30 days of the end of the 6-month period;
- b. Is still employed;
- c. Has a child in the home from the K-TAP benefit group;
- d. Is a resident of Kentucky; and
- e. Provides his/her current mailing address and verification of employment during the 6-month period.

[6.] If the adult remains in unsubsidized employment at minimum wage or above for 9 months and the total wages per week equal or exceed 35 hours times minimum wage, the adult may be eligible for a third \$500 post K-TAP bonus. The third bonus is paid to the K-TAP adult who:

- a. Requests the bonus within 30 days of the end of the 9-month period;
- b. Is still employed;
- c. Has a child in the home from the K-TAP benefit group;
- d. Is a resident of Kentucky; and
- e. Provides his/her current mailing address and verification of employment during the 9-month period.

- B. Issue the post K-TAP work incentive bonus payments through the KAMES special circumstance function. [Use benefit type R or N on the Change - Special Circumstance screens.
- C. If it is determined that the client is ineligible for the work bonus payment, send form PA-105, Notice of Eligibility or Ineligibility, to notify the individual of the denial of assistance and to inform the individual of his/her hearing rights.]

MS 3750

RAP INTRODUCTION

The Relocation Assistance Program (RAP) assists K-TAP recipients in moving to:

- A. [Accept a verified offer of employment;
- B. Maintain employment obtained within 90 days of the date of request, provided the employment was reported and verified timely; or
- C.] Escape a domestic violence situation.
- [D. Regarding employment the current residence must be ten or more miles from the place of employment and the move must put the household closer to the employment.

After January 1, 2003, a recipient may be approved for Relocation Assistance once in a lifetime to help the household pay actual moving related expenses up to \$500 when a specific job opportunity exists for the recipient.]

There is no limit for receipt of RAP if needed to escape a domestic violence situation.

Participation in RAP is voluntary.

MS 3760

RAP ELIGIBILITY

[To qualify for the Relocation Assistance Program (RAP) the individual must meet the following criteria:

- A. The individual must be currently receiving K-TAP. A sanctioned or otherwise ineligible individual is not considered to be in receipt of K-TAP and does NOT qualify for RAP.
- B. The individual must have a verified offer of employment or be currently employed and have been hired within 90 days of the request. The employment must pay a wage that is equal to or greater than minimum wage multiplied by 30 hours per week. This also applies to new self-employment (e.g., the individual verifies he/she has a number of children lined up to baby-sit and this pay equals or exceeds the minimum wage multiplied by 30 hours per week).]
- C. The K-TAP family must move in order for the individual to:
 - 1. [Maintain current employment obtained within 90 days of the date of request, that was reported and verified timely, or accept a verified offer of employment; or
 - 2. Escape a domestic violence situation. Refer to Vol. IIIA, MS 4355 for evidence that verifies the situation is domestic violence.] An individual moving to escape a domestic violence situation does not have to have an offer of employment in order to receive RAP.
- D. [The current residence must be 10 miles or more from the location of the employment. The new residence must be closer to the location of the employment than the current residence and the individual must verify the availability of the new residence.]
- E. After January 1, 2003, the individual can only be approved for RAP once in a lifetime unless RAP is needed to escape a domestic violence situation. If the household received RAP prior to January 1, 2003, that receipt does not count toward the once in a lifetime limit.

[The offer of new employment, or the hire date, the amount of wages, and availability of the new residence can be verified by written statement, wage stub, forms PAFS-700, Verification of Income, or PAFS-76, Information Request .

If the K-TAP family moved prior to the individual making application for RAP, deny the application.

RAP may be approved to assist the employed individual with actual moving expenses up to \$500 to obtain a residence in the area where his/her job is located.]

[If the individual receives RAP erroneously due to agency or client error, the job does not materialize, the individual does not move, or the benefits are used erroneously, establish a claim to recoup the payment. Refer to [Vol. I, MS 1869](#) for claim procedures. If the individual voluntarily returns the RAP check, forward the RAP check with form PA-61, Notice of Returned Check and Authorization for Disposition, to the General Accounting Section per the procedural instructions for the form. Returned checks or recouped payments do not count toward the once in a lifetime limit.

F. A minor is ineligible to receive RAP to move from his/her parent's home.]

MS 3770

RAP APPLICATION PROCESS

[Use form RA-1, Application for Relocation Assistance, to determine eligibility for the Relocation Assistance Program (RAP).]

- A. If the individual requests RAP, allow the applicant 10 calendar days to return verification of the moving expenses. [Use form PAFS-2, Application Letter or Notice of Expiration, to request verification of the offer of employment, wages, domestic violence situation, new residence and moving expenses.]
- B. Process the application immediately upon return of the required verification. If the locations of the residence and employment is not known, use internet in applying programs such as www.expedia.com, www.mapquest.com, etc., to determine if the current residence is closer to the new worksite than the new residence.
- C. If it is determined the household is ineligible for a RAP payment, send form PA-105, Notice of Eligibility or Ineligibility, to notify the individual of the denial of assistance and to inform the individual of his/her hearing rights.
- D. Provide follow-up case management to assist families in the transition. This includes referrals to other agencies and charitable organizations that may offer assistance to recipients who are moving.
- E. [If a family is not currently receiving K-TAP assistance and requests assistance with relocation, explore eligibility for the Family Alternatives Diversion Program (FAD). If FAD eligible, relocation expenses may be paid through FAD.]

MS 3780

RAP BENEFITS

A RAP payment is to assist in covering relocation costs such as renting a moving van, apartment or house rental and security deposit, utility hook-up fees, and other moving related costs. RAP PAYMENTS ARE MADE ONLY TO THE RECIPIENT. [The RAP payment amount for eligible recipients may be up to \$500 of verified moving expenses.]

MS 3790

RAP PAYMENT PROCEDURES

[Relocation Assistance Program (RAP) payments are made off STEP as payment type "44".

- A. Use the date the RAP application is approved in the date field on the payment screens when making the RAP payment.
- B. Annotate the details of the individual's eligibility for RAP in Comments on STEP and KAMES.]
- C. Enter the payee name and address in the fields found at the left margin of the payment screen. The "CO" (county) field is completed with the county number (001-120) from which the recipient is moving. If you issue the check to the new address, the county entry is still the original county of residence.
- D. The Relocation Data fields must be completed to give the new residence of the recipient. The following codes capture which type of move was made.
 - 1. A = Moved within current county;
 - 2. B = Moved to a different county; and
 - 3. C = Moved out of state.

Edits prevent entering the new county number if A or C is the option. Check entries carefully before pressing Enter.

- E. [Relocation payments are always issued as one payment to the recipient ONLY. Landlords and other providers are NOT made the payee.
- F. After a RAP payment is made, the data entered in the Relocation Data block of the screen is displayed at the bottom of the Payments Inquiry screen. If the relocation payment is deleted, the data still shows on the inquiry screen. However, the information for a deleted check will not be included on the Relocation Report, HRJASE16, HRSTEP Relocation Report, since benefits were not issued.]
- G. Manually track relocation assistance payments by annotating the disposition of the relocation assistance application and payment in red on form PAFS-116, Case History Folder, in the K-TAP case. Prior to RAP approval, you must inquire each adult member on STEP to ensure duplicate payments are not made. [RAP eligibility is per household not per adult.]

MS 3850

WIN ELIGIBILITY

[Employed members of a K-TAP case discontinued with earnings may be eligible for Work Incentive (WIN) Reimbursement payments of \$130 per month for up to nine consecutive months. Receipt of WIN reimbursements is limited to one eligibility time frame and cannot be waived or postponed.

An individual cannot receive FAD and/or K-TAP if WIN has been received for the same month.

A. To qualify for WIN reimbursements, an adult member of the K-TAP case must:

1. Report employment within 10 calendar days of obtaining employment;
2. Provide verification of employment within 10 calendar days of the report;
3. Be discontinued from K-TAP with countable earnings;
4. Have an age eligible child (deprivation is not an eligibility factor for WIN);
5. Expect to be employed on an ongoing basis;
6. Have a work expense (client's statement is accepted);
7. Be a resident of Kentucky; and
8. Have a total gross earned and unearned income that is equal to or below 200% of the Federal Poverty level.

2009 200% of Federal Poverty Level

<u>Family Size</u>	<u>Income Before Taxes</u>
1	[\$1,805
2	\$2,429
3	\$3,052
4	\$3,675
5	\$4,299
6	\$4,922
7	\$5,545
8	\$6,169

For Each Additional Member Add \$ 624

Failure to report changes timely, which occurred after WIN eligible employment was obtained, may not affect the WIN eligibility.

Example: The client obtained employment in July which was reported and verified timely. In August, the client was approved for RSDI, which was not reported until the client's recert in November. The RSDI income made the case income ineligible. The case is WIN eligible in this situation because the client was employed before the unreported change occurred.

- B. An adult member is not eligible for WIN reimbursement if:
 - 1. Employment is obtained after the K-TAP case is discontinued;
 - 2. The individual has previously received a WIN reimbursement, unless receipt was in error and the WIN reimbursement was returned and deleted from STEP. STEP and KAMES comments must be thoroughly documented to reflect the erroneous receipt of WIN;
 - 3. The employment was not reported and verified timely.
- C. If a K-TAP case with wages discontinues in error, the WIN indicator on STEP must be changed to "N". A reinstatement action may then be entered on KAMES prior to the 10th calendar day of the following month to prevent issuance of a WIN reimbursement.]
- D. A claim is established if a WIN reimbursement is received and retained in error. A claim is established for WIN reimbursements received due to either agency or client errors.

MS 3860

WIN REIMBURSEMENT PROCESS

[The first WIN reimbursement is automatically issued on the 10th workday of the effective month of discontinuance. Subsequent monthly payments are issued by the worker on STEP.

A. To ensure the issuance of the initial WIN reimbursement:

1. When employment is reported, enter wages on KAMES and request verification.
2. When verification is provided, enter it in the K-TAP case and respond "Y" or "N" in the "RPT/VER TIMELY?" field on the KAMES wage or self-employment screens. The "RPT/VER TIMELY?" field can only be accessed through the K-TAP case. If the income is accidentally entered in the Food Benefits or Medicaid case first and the K-TAP case pends, go in the K-TAP case and answer the "RPT/VER TIMELY?" question.
3. If the income is erroneously entered in the Food Benefits or Medicaid case first and the K-TAP case discontinues, the system will recognize the case as WIN eligible. Review the case situation to determine if the earned income was reported and verified timely. If the eligibility criteria for WIN are not met, take the following actions to ensure a WIN reimbursement is not issued:
 - a. Allow one day for the K-TAP discontinuance action to post to STEP;
 - b. Change the WIN indicator on the STEP general information screen to "N";
 - c. Change the STEP term date to match the K-TAP term date;
and
 - d. Ensure comments are entered on both KAMES and STEP documenting that there is no WIN eligibility.

B. To issue ongoing WIN reimbursements:

1. Form WIN-1 Work Incentive (WIN) Report is generated by STEP to the client. The client has until the 10th calendar day of the report month to return the WIN-1 form. If the 10th day is a holiday or weekend, the client has until the next workday to return the form.

The worker monitors return and completion of report forms on STEP selecting Option L, Case Management Reports from the Main Menu. Select Option 3, System Generated PA-33/KW133/WIN1 to access the HRJAS3R6 acknowledgement screen. Enter the appropriate code indicating receipt or non-receipt of form WIN-1:

I - Incomplete form received; manually send a second WIN-1 and form PA-105 advising WIN eligibility will end if a complete form is not returned by the last work day of the month.

C - Form received complete and correct and payment issued on STEP;

P - Form received complete and correct and payment has not been issued on STEP due to not meeting the eligibility factors; or

N - No form returned.

2. If form WIN-1 is not received by the 10th calendar day of the action month, enter "N" on the acknowledgement screen by the 12th of the month to have the system generate form WIN-2, Second Notice for Work Incentive (WIN) Report. Form WIN-2 reminds the client to return the form by the last workday of the month or WIN reimbursements will stop.

If the non-receipt status "N" of the WIN form is not entered on the system by the 12th, manually issue form WIN-2.

3. When a complete report form is received, determine if continued WIN eligibility exists. To remain eligible an individual must:
 - a. Be employed at some time during the month reimbursement is requested to cover;
 - b. Have an age eligible child (deprivation is not an eligibility factor for WIN);
 - c. Have a work expense;
 - d. Return a correctly completed WIN-1, Work Incentive (WIN) Report, or WIN-2, Second Notice for Work Incentive (WIN) Report, in a timely manner;
 - e. Be a resident of Kentucky; and
 - f. Have total gross earned and unearned income of the K-TAP family that is equal to or below 200% of the Federal poverty level.

If an individual is on leave from a job for the majority of the month he/she may still be eligible for WIN. An individual on leave may incur a work expense even though he/she did not work in the month.

Example: The individual is receiving WIN and is on leave and will return to the job. The individual must pay union dues and child care to keep a slot open. As the individual has incurred a work expense in the month he/she is on leave, he/she is ongoing eligible.

If any of the eligibility factors are not met, WIN reimbursements end and WIN cannot be received again.

4. Once form WIN-1/WIN-2 is received correct and continued eligibility is determined, the WIN payment is issued by:
 - a. Selecting Function E, Payments, off the STEP Main Menu
 - b. Entering Option 3, and payment type R on HRJAS3E1, Supportive Service Submenu. The FEIN number is left blank;
 - c. Entering on screen HRJAS3E2, STEP Payments:
 - (1) Pay type "N";
 - (2) Amount "130.00";
 - (3) Type "24";
 - (4) Date (mmddyy);
 - (5) The name, address and county of the individual; and An "X" to authorize payments, which will generate the WIN reimbursement.
 5. If an individual fails to return either form WIN-1 or WIN-2 by the last workday of the report month, WIN reimbursements stop and the individual is not eligible for WIN again. Document comments on KAMES and STEP thoroughly and post form PAFS-116 to indicate WIN status.
- C. Once WIN reimbursements begin; individuals who lose employment are not eligible for future WIN reimbursements unless the individual obtains another job within one month and provides written verification within 10 calendar days of obtaining the job.

Example: Client has reported that she lost her job on 7/3. The client found another job 8/1. She reported and verified the new employment timely. She would continue to be eligible for WIN for July.

If an individual fails to provide verification of new employment within 10 calendar days, manually issue form PA-105 denying the payment and advising WIN eligibility no longer exists]

MS 5000

KINSHIP CARE OVERVIEW

[Policy Clarification](#)

[See OM Upd. No. 07-21, MS 99770, 10/1/07](#)

[See OM Policy Update No. 03-29, MS 99638, 8/1/03](#)

The Kinship Care Program was developed based on the professional consensus that when children must be removed from their home for the child's safety, placement with caring relatives is generally preferable to placement with non-relatives. Kinship Care offers an option to assist relatives in caring for children who must be placed out of the child's home.

The Kinship Care Program uses Temporary Assistance for Needy Families (TANF) funds to provide financial assistance to the Kinship caregiver. These payments are issued through the Kentucky Automated Management and Eligibility System (KAMES).

- A. The Service Region Administrator (SRA) determines the best way to utilize staff for Kinship Care cases.
 - 1. Protection and Permanency (P & P) staff complete the front-end case identification and provide case management for at least the first 6 months of the placement.
 - 2. The SRA may choose to use Family Support (FS) workers, master clinicians, or a team consisting of P & P and FS staff to determine the financial eligibility and to provide case maintenance of the Kinship Care case on KAMES.
 - 3. Staffing must be handled in a manner that minimizes the number of visits the Kinship caregiver must make to the local office and avoid duplicate visits by CFC staff.
- B. Protection and Permanency (P & P) staff determines if placement with the relative is appropriate.
 - 1. P & P completes a home evaluation, criminal record checks and ensures the relative has no substantiated child or adult abuse or neglect reports prior to placing the child with the relative.
 - 2. If the relative meets the criteria, the Cabinet and the relative sign the Kinship Care Program Statement of Rights and Responsibilities. The statement requires the relative to cooperate in child support activities and participate in a yearly eligibility review.
 - 3. The Cabinet is required to review the placement 6 months from the date of placement. At the 6-month review, the Cabinet shall recommend to the court regarding permanent custody when the Cabinet has determined that Kinship Care is in the best interest of the child.

- C. A Kinship Care Program applicant or recipient who is dissatisfied with an action or inaction on the part of the Cabinet has the right to a fair hearing. Refer to Volume I, subchapter Appealable Issues, for fair hearing procedures.

MS 5010

INDIVIDUALS SERVED BY KINSHIP CARE

See: OM Pol. Upd. 03-29, [MS 99638](#), 8/1/03”.

- A. The Kinship Care Program may serve a child who is placed in foster care or would otherwise be placed in foster care due to:
 - 1. the death of both parents; or
 - 2. substantiated abuse or neglect, determined by the Cabinet or State agency responsible for arranging the child's placement; and
 - 3. placed with a caring relative who has been determined by CFC to be a preferable alternative to placement with a non-relative.
- B. Kinship Care can be approved for those individuals where the child has been placed with a Kentucky family through the Interstate Program. In order to qualify for Kinship Care, the child must have a substantiated finding of abuse or neglect in the state from which they came and the state agency there must have been involved in the child's placement. The death of both parents also qualifies a child to be placed with a Kentucky family through the Interstate Program. It is the Kinship Care applicant's responsibility to obtain the necessary documentation to demonstrate the child's eligibility for Kinship Care. The Kinship Care applicant must agree to and follow the remaining requirements of the Kinship Care Program.

MS 5020

AVAILABLE SERVICES/BENEFITS TO
KINSHIP CARE CASES

See: OM Pol. Upd. 03-29, [MS 99638](#), 8/1/03".

- A. The following services may be provided as needed on a case-by-case basis, as determined by the Cabinet, to insure the placement is not disrupted:
1. A child care subsidy;
 2. Respite child care;
 3. Family counseling;
 4. Parenting training;
 5. If requested, referral to an available support group; and
 6. Case management services for at least 6 months, beginning with the date of placement of the child with the relative or until the relative has permanent custody of the child.
- B. A child in a Kinship Care case is eligible for an educational bonus.
- C. Children in Kinship Care cases are Medicaid eligible. However, Kinship Care cases are not TMA eligible and cannot be program transferred to another category of assistance. Additionally, there is no retroactive Medicaid coverage for Kinship Care cases.
- D. A Kinship caregiver is eligible for a one-time payment for start-up costs needed to supply each child's immediate need. The total amount of assistance allowed for the family for start-up costs shall not exceed the maximum amount for the appropriate number of eligible children in the Kinship Care case, as follows:

Number of Eligible Children	Maximum Payment Amount
1	\$ 500
2	\$1,000
3	\$1,500
4	\$2,000
5	\$2,500
6 or more	\$3,000

The one-time payment for start-up costs shall be used for the following:

1. Clothing;
2. School Supplies;
3. Additional furniture;
4. A deposit for a larger apartment; or
5. Other items or services needed to assist the child in establishing himself/herself in the new environment.

The caregiver must provide an estimate of the expenses, e.g., a statement from the proposed vendor of the expense. Protection and Permanency workers issue all Kinship Care start-up payments.

MS 5030

KINSHIP CAREGIVER RESPONSIBILITIES

[Policy Clarification](#)

See: "OM Pol. Upd. 03-29, [MS 99638](#), 8/1/03".

See: "OM Upd. 04-17, [MS 99671](#), 5/3/04.

The Kinship caregiver shall agree to:

- A. Take temporary custody of the child;
- B. Assume permanent custody, if the child cannot be reunited with a parent;
- C. [Report, within 10 days, any change in circumstance which may effect eligibility or the amount of payment;
- D. Cooperate with child support activities; and
- E. Cooperate with the recertification process every 12 months.]

MS 5050

STANDARD FILING UNIT EXCEPTION

[Policy Clarification](#)

Normal K-TAP standard filing unit is utilized with the following exception. A child eligible for the Kinship Care program, due to abuse, neglect or the death of both parents, living in the home of a relative with a sibling receiving K-TAP (living with the relative, but not due to abuse or neglect or death of both parents) is not required to be in the same case.

Example: Grandmother receives K-TAP for one grandchild. This child is in her home for a reason other than abuse, neglect or the death of both parents. Grandmother is approved as a Kinship caregiver for a sibling of the K-TAP child placed with her due to abuse. The Kinship Care child is not added to the K-TAP case. A separate Kinship Care case is approved for the child placed with grandmother due to abuse.

MS 5060

CHILD SUPPORT REQUIREMENTS

At the time of application, if the relative refuses to cooperate without good cause with child support requirements, the Kinship Care case is denied. Anytime after approval, if the Kinship caregiver refuses to cooperate with child support activities and does not file a "good cause" claim, the penalty of 25% of the maximum benefit is applied. Enter the child's SSN in the field for the responsible parent's SSN. To keep the child Medicaid eligible, enter "Y" to the override field on the override disposition screen. The support collected for a Kinship Care child is to be forwarded to the Division of Child Support, P.O. Box 14059, Lexington, Kentucky 40512-4059. Refer to [Vol. III, MS 3000](#)-3499 for applicable child support policy.

MS 5070

RESOURCE LIMIT

The resource limit for the Kinship Care case is \$2,000 and the countable resources for the child are the same as used for K-TAP children.

MS 5080

COUNTABLE INCOME

Countable income for the Kinship Care child is determined using the same criteria as the K-TAP child. Only include the Kinship Care child's income; do not include income of the Kinship caregiver.

MS 5090
[Policy Clarification](#)

BENEFIT PAYMENT AND INCOME SCALE

The monthly payment scale and income limit are as follows. If financial eligibility is met, the child's income does not reduce the monthly benefit payment.

Number of Eligible Children	Monthly Payment and Child's Income Limit
1	\$ 300
2	\$ 600
3	\$ 900
4	\$1,200
5	\$1,500
6 or more children	\$1,800

If a Kinship Care case consists of two children whose combined income does not exceed the income limit scale for 2 children, both children are financially eligible.

Example: One child receives \$340 RSDI monthly benefit and the second child has zero income. The combined income for both children is under the \$600 income scale, therefore, both children are financially eligible.

The following examples explain how to determine the Kinship Care benefit amount in a month the child also received K-TAP benefits.

Example 1: Parent has a K-TAP case for her child. The child is removed from her home due to abuse and placed with the grandmother and the KIM-77 is dated 8/14 for the grandmother's Kinship Care application for the child. Parent has already received K-TAP for the child for the month of August and the child is removed from her K-TAP case effective 9/1. [Grandmother will receive prorated Kinship Care benefits for August less the child's share of the August K-TAP benefits.] This is paid as a special circumstance payment and the full amount of \$300 is issued 9/1 and is ongoing.

Example 2: Grandmother has been receiving K-TAP for her grandchild. The case is reviewed in August and it is determined that the child was originally placed with the grandmother due to abuse. The K-TAP case is discontinued. Approve the Kinship Care case effective 9/1. Issue a special circumstance payment for \$114 for August (\$300 Kinship Care benefit - \$186 K-TAP benefit received in August), regardless of the date in August that it was determined to convert the case to Kinship Care.

MS 5100 AUTHORIZING KINSHIP CARE PAYMENTS

[See OM Upd. No. 04-26, MS 99680, 11/1/04](#)

[See OM Upd. No. 04-17, MS 99671, 5/3/04](#)

[See OM Upd. No. 03-29, MS 99638, 8/1/03](#)

- A. Enter the application using the Kinship caregiver's name and social security number. The KAMES program code for Kinship Care is "KC" on KAMES. The Kinship caregiver is a "T" member and is not a member of the Kinship Care case. The income and resources of the relative are not considered. The children are coded M05, child over 1 year of age, or M09, newborn child. [Refer to [Volume I, MS 0151](#), for good cause on cases processed untimely.]
- B. Answer "yes" to the question, "Is standard filing unit met?". Answering "no" will deny the Kinship Care application.
- C. To convert an active child only K-TAP case to a Kinship Care case, the "C" case is discontinued and a "KC" application is entered on KAMES. When a Kinship Care case involves the discontinuance of a "C" case which contains the same children and relative, do not change the alpha character in the KAMES case number. If the "C" case number was 111222333A, the approved Kinship Care case will use the same number. Do not change the "A" to "B".
- D. The case is assigned a 12-month certification period. The case weight for a Kinship Care case is 2.5.
- E. If a Kinship Care client fails to keep the recertification appointment with Family Support, the Kinship Care case is discontinued. If the caregiver relative requests the Kinship Care case be continued, the Division for Protection and Permanency (P&P) Social Services Worker (SSW) treats the discontinued case as a new request using current P&P policy.
- F. In an effort to keep the Kinship Care cases from discontinuing at recertification unnecessarily:
 - 1. The Family Support worker is now required to send form PAFS-628, Exchange of Information, to the SSW the same day the client fails to keep the Kinship Care recertification appointment.
 - 2. Inform the SSW that the Kinship Care recertification appointment was missed and, if the family fails to reschedule, the case will be discontinued within 10 days of the original appointment date.
- G. In addition to sending form PAFS-628 for failing to keep a recertification appointment, the Family Support workers send form PAFS-628 to advise the SSW when the Kinship Care case is discontinued.

End of Volume